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Company Name: Nissan Chemical Corporation

Representative: YAGI Shinsuke, Representative Director, President & COO
(Code number: 4021, TSE Prime Market)

Contact: MATSUOKA Takeshi, Head of the Corporate Planning Department
(Tel:+81 3-4463-8120)

Long-term Business Plan "Atelier2050" and Mid-term Business Plan "Vista2027" Kicked Off -To Be An Enterprise That Faces Challenges Toward the Future Through Co-Creation-

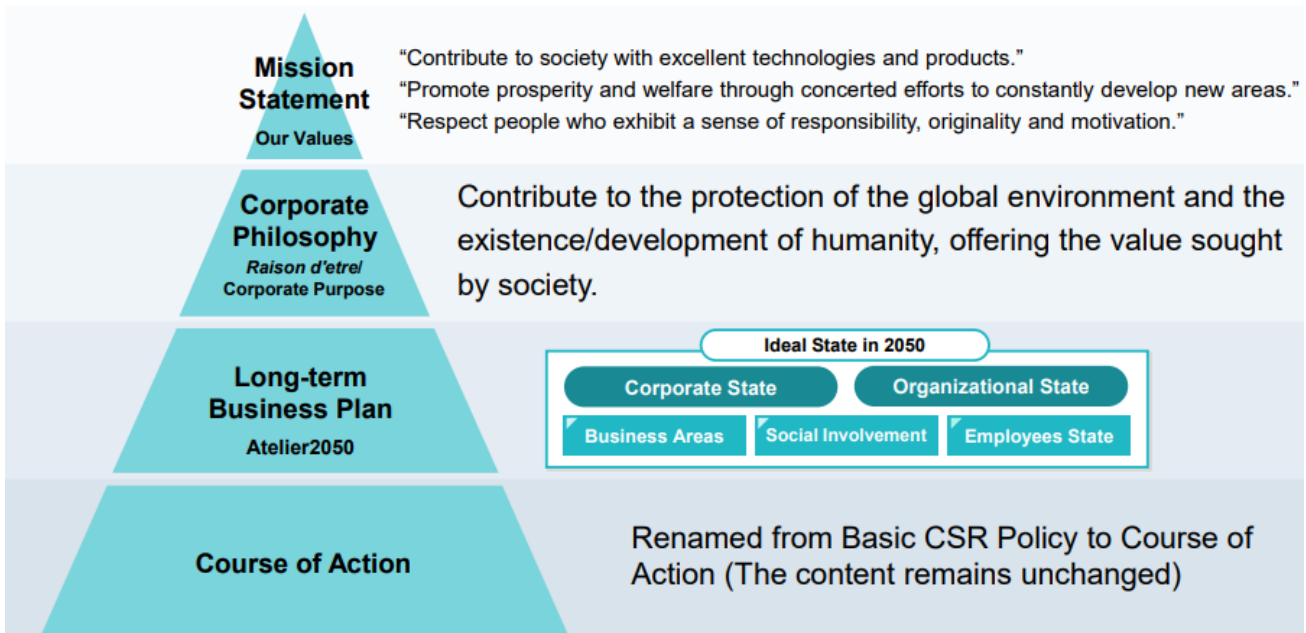
In April 2019, we, Nissan Chemical Corporation ("Company") and its group companies (collectively "Group") started "Vista2021 Stage II," the latter three years of the mid-term business plan, Vista2021. Looking ahead to FY2030 under the long-term business plan "Progress2030", we set our ideal state in FY2021 as a stepping-stone, and defined our basic strategies: "Increase the profitability of products that are sources of growth," "Strengthen ability to create new products," and "Improve ability to adapt to social/market changes," to achieve that long-term plan. In the last fiscal year of Vista2021 Stage II, our steady implementation of measures in line with those strategies resulted in an operating profit of 51 billion yen, exceeding the plan by 8 billion yen, and achieving the operating profit target of Progress2030, 9 years ahead of schedule.

In the "Vista2021 Stage II," we identified the following challenges to tackle for our future development: "Further strengthen the development of new products," "Refine business plans," and "Enhance and improve business efficiency."

Considering those issues and recognizing the remarkable changes in the business environment, which was the premise of the "Progress2030," and the divergence of part of the plan from the actual situation, we updated our business plans. In April 2022, we launched our new long-term and mid-term business plans. The former is "Atelier2050," which gives the Group a path to contribute to solving social issues and keep growing for the future. And the latter is "Vista2027," which indicates the ideal state of the Group in FY2027 as a stepping-stone to attain the long-term plan.

1. Philosophy Pyramid

To determine our direction for the future and clarify the *raison d'être* of the Group, we redefined our corporate philosophy. For the "CSR Basic Policy," we renamed it to the "Course of Action" to express our stance on focusing on sustainability management from now, let alone CSR. In addition, we newly set up "Where it all begins" as our corporate slogan, to spread around.



2. Overview of Long-term Business Plan "Atelier2050"

(1) Ideal State in FY2050



[Ideal State of Each Business Area]

<Information & Communication>

We offer a variety of materials corresponding to all technical innovations in display and semiconductors, constituting our broad product portfolio. The expansion of IoT sensing materials contributes to operationalizing sensing systems, such as biomimetic sensors.

<Life Science>

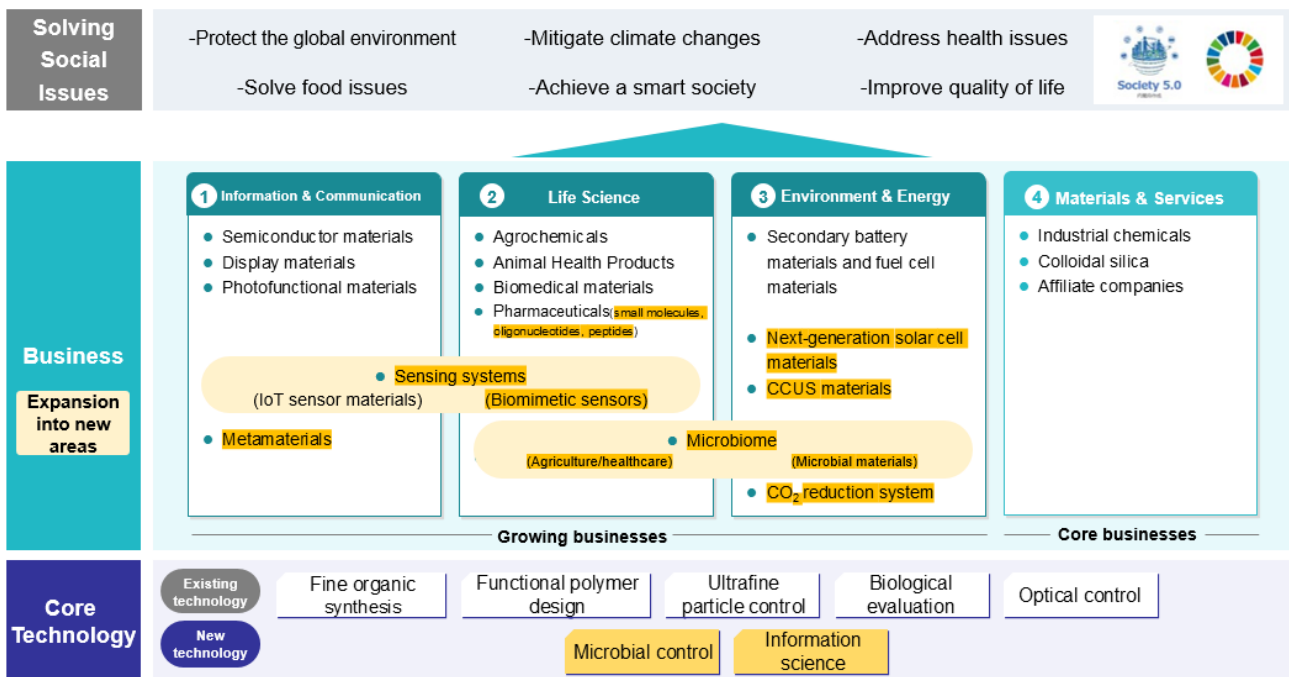
By establishing the microbial control technology, we operationalize medical materials and microbial materials in addition to microbial agrochemicals, and those businesses contribute to solving diverse social issues. The agricultural business area is expanding by providing chemical and microbial agrochemicals with high safety and extremely low environmental load. In the veterinary medicine area, we commercialize multiple types of drugs for animals. In the healthcare business area, adding to the drug discovery anchored in oligonucleotide, peptide, and small molecule therapeutics, we offer specific products and services for various medical means, such as microbiome-based and cellular therapies.

<Environment & Energy>

A novel business area grows with fuel cell materials, gas separation membrane materials, and other materials indispensable for achieving carbon neutrality.

<Materials & Services>

A stable revenue basis is established by acquiring competitiveness through shifting to high value-added products and adapting to social changes.



(2) Overview of Basic Strategies

1) Deeply exploit and expand business areas

i. Information & Communication

We develop materials for the growing next-generation display to join that market. We also provide materials compatible with the evolving semiconductor technologies and enter into new businesses, such as the sensing area and photo-functional material market.

ii. Life Science
We join the business/market of microbial agrochemicals and enter into the healthcare and environment-related areas by utilizing microbial control technology.

iii. Environment & Energy
We develop materials related to cells that contribute to solving environmental issues, renewable energy materials, and CCUS* materials.

*CCUS=Carbon dioxide Capture, Utilization, and Storage

2) Pursue sustainable management further

i. Attain the "Nissan Chemical Sustainable Agenda*" and expand product/service lines specified in the Agenda

We formulate the "Nissan Chemical Sustainable Agenda" to achieve a sustainable society and to sustainably enhance our corporate value. In concrete terms, we list specific products and services which help solve social issues and set the "Key Performance Indicator (KPI)." By extending the sales and expanding the breadth of those products and services, we seek out the Group's social value.

*Agenda=Issues to address and plan to implement

ii. Achieve carbon neutrality (SCOPE1+2)

We achieve carbon neutrality by changing raw materials and fuels, promoting energy savings, adopting renewable energy, using carbon offset fuels, introducing the carbon credit system, and taking related measures.

iii. Cultivate a corporate culture where the future is co-created

We establish and operate a personnel system that integrates personnel with diverse values, attracting all the personnel to work under that system.

We cultivate human resources capable of grasping up-to-date information and clients' needs and bridging internal and external business environments to create to-be-dedicated future businesses passionately. Also, we establish and operate systems and foundations to foster such human resources.

3) Renovate management and business foundations

We accelerate the value-creation process by utilizing digital technology.

i. We fuse virtual and physical space and by using AI analysis, increase the speed of the creation process of values.

ii. We utilize digitalization, automatization, and robotization to focus on creative work.

3. Overview of Mid-term Business Plan "Vista2027"

It is a six-year plan starting in FY2022. The first three years from FY2022 to FY2024 are "Stage I," and the second three years from FY2025 to FY2027 are "Stage II."

(1) Ideal State in FY2027

"While existing businesses are robustly driving the business performance, new core technologies* are consistently acquired for expanding and enhancing business areas."

"Organized sustainability-related initiatives are promoted and related information is offered internally and externally."

"As the digital foundation is being established, business activities are conducted based on the latest information on clients and markets."

* Microbial control and information science

(2) Financial Targets

		(¥Billion)			
		FY2021 Actual	FY2022 Outlook	FY2024 Plan	FY2027 Plan
Sales	Chemicals	37.6	38.6	37.6	40.1
	Performance Materials	81.7	89.9	102.9	117.2
	Agrochemicals	65.8	72.9	77.8	82.3
	Healthcare* ¹	6.6	5.9	7.2	11.5
	Others* ²	16.3	11.7	29.5	33.9
	Planning and Development* ³	0.0	0.0	1.3	4.4
	Total	208.0	219.0	255.0	285.0
OP	Chemicals	3.8	2.2	3.5	3.9
	Performance Materials	27.7	30.5	32.1	38.0
	Agrochemicals	18.3	19.5	21.7	21.0
	Healthcare* ¹	0.9	2.1	2.1	4.3
	Others* ²	0.3	-0.8	-0.9	-0.2
	Planning and Development* ³	-3.4	-5.2	-4.7	-4.7
	Total	51.0	53.5	58.5	67.0
Ordinary Income		53.7	54.1	59.5	68.0
Net Income		38.8	39.6	44.0	50.0

Exchange Rates (¥/\$) FY2022 : ¥115 (First Half); ¥115 (Second half)
FY2023~ : ¥110

*1: Actual results for FY2021 are the figure of "Pharmaceuticals" segment.

*2: "Others" includes Planning& Development Division, Trading, Others, and Adjustment segments.

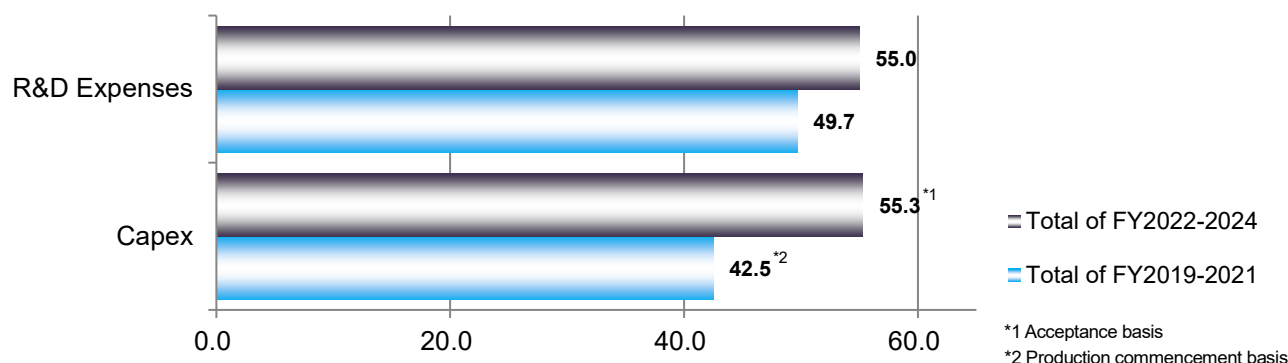
*3: The figures of "Planning and Development" are internal figures of "Others".

Impact of organizational reformation on April 1, 2022

(Impact of the transfer of the R&D expenses to Planning and Development Division)

FY2022; ¥1.45 billion, FY2024; ¥1.26 billion, FY2027; ¥1.27 billion

(3) R&D Expenses and Capex (¥Billion)



(4) Basic Strategies

1) Deeply exploit business areas and increase marketing ability

We strive to enhance our R&D capability and improve our planning ability, to realize the ideal state in FY2050.

- i. Refine existing core technologies and deeply exploit and expand development areas
- ii. Incubate new core technologies (microbial control and information science)
- iii. Enhance marketing power and planning ability

2) Promote sustainable management

We foster our efforts and propel measures for sustainability and facilitate offering sustainability-related information internally and externally.

- i. Set up “Sustainability Promotion & IR Department” and propel related measures in an organized approach
- ii. Enhance committee activities (such as intensifying company-wide efforts by setting up the Sustainability Promotion Committee and section meetings)

3) Strengthen the creation and co-creation process of values

We propel building our business foundations and environment that help mutual communication and improvement in efficiency and facilitate the creation and co-creation of new values.

- i. Revamp the existing personnel system and human resource development for attaining business strategies
- ii. Set up “Digital Transformation Department” and facilitate digital transformation (DX) and business foundation renovation

4) Expand market shares and profits of existing businesses

To extend the sales of existing products that are the sources of the growth and develop new products consistently, we strive to maintain and improve the foundations for the manufacturing, research and development, and other processes for existing businesses and reduce the cost of existing products.

i. Chemicals

- ◆ Improve the profitability of ammonia-related business after the withdrawal from the melamine business
- ◆ Expand the sales of high-purity sulfuric acid
- ◆ Expand the sales and improve the profitability of cyanuric acid and "HI-LITE"
- ◆ Develop business of "Venus Oilclean," a microorganism formulation

ii. Performance Materials

- ◆ Improve existing products and expand their applications
- ◆ Reinforce and increase manufacturing facilities
- ◆ Develop and launch new products onto the market
- ◆ Improve the profitability of the inorganic material (inorganic colloid) business

iii. Agrochemicals

- ◆ Continue to expand the sales of "GRACIA" etc. and to enhance our respective marketing efforts for large-scale farmers and agricultural corporations, and general consumers
- ◆ Conduct steady development of NC-653 (novel herbicide) and NC-656 (novel herbicide) and create new pipelines
- ◆ Establish a biological research team

iv. Healthcare

- ◆ Healthcare: Concentrate investment in the oligonucleotide therapeutics area; commercialize and expand sales of medical materials (biointerface control materials, cosmetic materials, etc.)
- ◆ Custom Chemicals: Strengthen the existing business model, be oriented in joint development (peptides, etc.)

(5) Key Performance Indicators (KPI)

1) Financial indicators (FY2022-FY2027)

OP margin	Above 20%
ROE	Above 18%
Dividend Payout Ratio	55% (Increased from 44.9% in FY2021)
Total Payout Ratio	75%

2) Non-financial indicators (FY2027)

Nissan Chemical Sustainable Agenda (total sales of products and services that contribute to solving social issues/consolidated net sales)	Maintain at least 55%
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Reduction of GHG emissions	At least 30% compared to FY2018 (Achieve FY2030 target 3 years ahead of schedule)
Positive response rate in survey of employee attitude on human resource development	At least 65%
Proportion of female researchers	At least 18%

The Group will consistently implement measures based on the basic strategies laid in those plans and pursue our corporate philosophy, "Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society."

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