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<https://www.nissanchem.co.jp/eng/>

The status of the corporate governance of Nissan Chemical Corporation (the “Company”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information**

#### **1. Basic Views**

We, the Company, have redefined our corporate philosophy, “We offer the value sought by society and contribute to the protection of the global environment and the continued existence and development of humanity.” Under that philosophy, we are working through concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase corporate value over the medium to long term.

As part of those efforts, with the understanding of corporate governance as “the system for sound and efficient management to achieve the sustainable and medium to long-term profit for our stakeholders,” we strive to accelerate management decision-making and clarify management and business execution responsibilities. Also, the Company maintains the Board of Directors and the Audit & Supervisory Board, whose members include highly independent Outside Officers or Outside Directors and Audit & Supervisory Board Members. At their direction, we are advancing the enhancement of our management monitoring function, compliance, risk management, and internal control system.

#### **[Reasons for Non-compliance with the Principles of Japan’s Corporate Governance Code]**

The Company has implemented all principles of Japan’s Corporate Governance Code.

#### **[Disclosure Based on the Principles of Japan’s Corporate Governance Code] (Updated)**

##### **[Principle 1.4 Strategic Shareholdings]**

The Company has established the following principles on strategic shareholdings.

##### **(1) Policy on strategic shareholdings**

The Board of Directors discusses the Company’s strategic shareholdings every year, comprehensively examining several aspects. Specifically, the board considers the necessity of maintaining or enhancing transactional or other relations with each investee company, whether the benefit of holding the shares is commensurate with the capital cost, and whether such holdings contribute to increasing the Company’s corporate value over the medium to long term. If no rationality for holding the shares can be confirmed, the shares will be sold, considering the impact on the market and other circumstances.

##### **(2) Policy on the exercise of voting rights**

The Company exercises its voting rights with full respect for management policies, strategies, and other aspects of the investee company. For each proposal, we decide on our stance, comprehensively considering various factors, such as whether the proposal complies with the Company’s holding principles and contributes to increasing the investee company’s corporate value over the medium to long term and its shareholder returns.

#### [Principle 1.7 Related Party Transactions]

When intending to conduct a transaction with officers or related parties, the Company investigates details of the transaction to deal with it appropriately, following proper procedures under laws and regulations, its internal rules, and other guidelines not to impair its interests or the common interests of its shareholders. Important transactions, including competitive transactions and conflict-of-interest transactions by Directors, are subject to prior approval of and after-action reports to the Board of Directors. Since the Company has no major shareholder with 10% or more voting rights, no procedures for transactions with such shareholders have been established.

#### [Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women]

From the standpoint that the active participation of diverse personnel is critical for enhancing corporate value, the Company released the “Diversity Statement” and the “Diversity Vision” to propel its initiatives toward realizing diversity. Specifically, we have declared that “we will become a vibrant company with a sense of fulfillment of job and life by building a corporate culture that respects and accepts diverse opinions and ideas generated from various types of diversity and creating opportunities to demonstrate individual talents.” The “Diversity Statement” and the “Diversity Vision” are posted on the Company website:

([https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/respect.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/respect.html))

Regarding the recruitment of women, to increase the ratio of females in the regular positions, we are working on maintaining a 30% or more ratio of the same recruited among new graduates and expanding the scope of their job categories in each division/department of the Company. Among others, we aim to lift the percentage of females among R&D professional staff to 18% or more by fiscal year 2027, expecting that diverse opinions and ideas will trigger innovation in the research area.

To promote female staff to managerial positions, the Company aims to double the number of female managers from fiscal year 2021 to the end of fiscal year 2025. In addition, we are enhancing our efforts to recruit and promote non-Japanese staff and mid-career professionals to managerial positions.

#### [Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

To ensure that the Company’s corporate pension fund continues to pay pensions to its beneficiaries stably into the future, we have set a ratio for strategic asset composition from a medium to long-term perspective after obtaining opinions from outside specialists. The Company also formulated basic principles for stable and efficient fund operation and presented them to institutions entrusted with fund management, while constantly monitoring the fund performance from time to time. Further, we have built a structure led by an Asset Management Committee comprising appropriately qualified members, including the Directors in charge, the Heads and Managers of the Finance & Accounting Department, and the Personnel Department. The committee grasps and checks the sound fund management status, whether the conflicts of interest are properly managed, and related points from the perspective of protecting beneficiaries.

#### [Principle 3.1 Information Disclosure]

##### i) The Company’s business strategies and business plans

Toward realizing the long-term business plan “Atelier 2050,” the Company has defined its ideal status in 2027 in the medium-term business plan “Vista 2027 Stage II” as follows: 1) “While existing businesses are robustly driving the business performance, we are advancing product development by leveraging new core technologists,” 2) “We are advancing our organization-wide efforts on sustainability and offering products and services that contribute to resolve social and environmental issues,” and 3) “We are implementing measures to make our business operations more efficient and sophisticated by establishing the digital foundation. Further, we have set forth the basic strategies for achieving the ideal status above, 1) “increase profit in existing businesses,” 2) “develop new products looking ahead to 2030,” and 3) “strengthen our business foundation. In line with those strategies, we are taking steps to attain the following numerical targets and performance indicators.

Numerical targets for fiscal year 2027 (the final year of Stage II)

- ◆ Net Sales: 293 billion yen
- ◆ Operating income: 65 billion yen

<Performance Indicators> From fiscal years 2025 to 2027

- ◆ Operating margin: 20% or more (Results for fiscal year 2024: 22.6%)
- ◆ ROE (return on equity): 18% or more (Results for fiscal year 2024: 18.7%)
- ◆ Return of profits to shareholders
  - A dividend payout ratio of 55% or more (Results for fiscal year 2024: 55.5%)
  - A total payout ratio at 75% or more (Results for fiscal year 2024: 82.0%)

As non-financial indicators, we have set specific indicators, including the expansion of the “Nissan Chemical Sustainable Agenda” that defines product/service lines that contribute to society and the reduction target for greenhouse gas (GHG) emissions to be achieved by the end of fiscal year 2027, ahead of the original target set in fiscal year 2030.

<Non-financial Indicators> For fiscal year 2027 (the final year of Stage II)

- ◆ Nissan Chemical Sustainable Agenda
  - Percentage of sales of products/services contributing to solving social issues in total sales: 60% or more
- ◆ Reduction of GHG emissions: 30% or more over fiscal year 2018
- ◆ Percentage of employees who gave positive answers to the questionnaire on skill development in a “Staff Attitude Survey”: 65% or more
- ◆ Percentage of females among laboratory staff in regular positions: 18% or more

Details of the long-term business plan “Atelier 2050” and the medium-term business plan “Vista 2027 Stage II” are provided on the Company website:  
([https://www.nissanchem.co.jp/eng/ir\\_info/nissanchem/plan.html](https://www.nissanchem.co.jp/eng/ir_info/nissanchem/plan.html))

## ii) Basic views and guidelines on corporate governance

<Basic views on corporate governance>

As described in “I-1 Basic Views” in this Report.

<Basic guidelines on corporate governance>

The Company’s basic guidelines on corporate governance are as follows:

### (1) Securing the rights and equal treatment of shareholders

To substantially secure shareholders’ rights and equal treatment, the Company serves them lawfully and appropriately under laws and regulations and creates and maintains the necessary environments.

### (2) Appropriate cooperation with stakeholders other than shareholders

To realize the Group’s sustainable growth and increase in corporate value over the medium to long term, the Company endeavors to cooperate appropriately with stakeholders.

### (3) Ensuring appropriate information disclosure and transparency

Regarding its financial and non-financial information (such as management strategies, challenges, and matters related to risk, governance, and social and environmental issues), the Company works to disclose and provide highly useful information appropriately under laws and regulations or as appropriate and necessary.

### (4) Responsibilities of the Board of Directors

Given its fiduciary responsibility and accountability to shareholders for promoting the Group’s sustainable growth, increasing its corporate value over the medium to long term, and enhancing, among others, earnings power and capital efficiency, the Board of Directors appropriately fulfills its roles and responsibilities, including those described below.

- The Board of Directors formulates the strategies for achieving the Group’s sustainable growth and increasing its corporate value over the medium to long term, and propels their implementation.

- The Board of Directors appropriately establishes an environment, including the internal control and risk management systems, to support the management in taking risks.
- By clarifying the two functions of swift managerial decision-making and oversight, as well as execution, the Board of Directors seeks to strengthen both functions.
- More than one person from the Outside Directors and the Outside Audit & Supervisory Board Members, respectively, are appointed to monitor and oversee management from an outside perspective and provide additional third-party knowledge to upgrade management transparency, soundness, and objectivity.

#### (5) Dialogue with shareholders

The Company undertakes concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase its corporate value over the medium to long term. As part of those initiatives, we value dialogue with stakeholders, including shareholders, and disclose information appropriately.

#### iii) Board of Directors' policies and procedures in determining the remuneration of senior management and Directors

Please refer to "II. 1. Organizational Composition and Operation, [Director Remuneration], Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof" in this Report.

#### iv) Board of Directors' principles and procedures in the nomination of the Director and Audit & Supervisory Board Member candidates and the appointment or dismissal of senior management

(Policies on the nomination of Director and Audit & Supervisory Board Member candidates and appointment or dismissal of senior management)

When nominating Director candidates, the Board of Directors takes into consideration the balance and diversity of the overall board in terms of knowledge, experience, skills, and other factors to ensure appropriate and expeditious decision-making and oversight of the execution of business activities in diverse fields, such as chemicals, performance materials, agricultural chemicals, and healthcare. In addition, the Board of Directors nominates candidates who are healthy, physically and mentally, trusted, and respected for their excellent character, a high level of insight, and a sense of ethics.

For the Internal Director candidates, besides the above principles on the nomination of Director candidates, the Board of Directors nominates candidates with specialized capabilities and knowledge in their business areas, corporate planning, personnel, finance and accounting, research and development, production technologies, and environmental safety and quality assurance, among others.

For the Outside Director candidates, besides the above principles on the nomination of Director candidates, the Board of Directors nominates candidates who proactively offer opinions on the Company's growth strategy, the enhancement of governance, and other areas from the perspective of diverse stakeholders and society, also bring up an issue and provide advice. The term of office of an Outside Director is up to a total of six fiscal years of six terms. However, under special circumstances, it does not preclude an Outside Director from serving for up to a total of eight fiscal years of eight terms. If an Outside Director wishes to concurrently serve as a director or audit & supervisory committee member for another listed company, they will be allowed to take concurrently up to a total of five positions, including the Company, in principle.

As to Audit & Supervisory Board Members, the Board of Directors nominates candidates with broad-ranging experience and insight focused on specialized areas, including finance, accounting, and legal affairs, and the capability of auditing business execution and offering opinions and advice to management from a fair and neutral standpoint. Nominations of Audit & Supervisory Board Member candidates are approved by the Audit & Supervisory Board in advance. The term of office of an Audit & Supervisory Board Member is up to a total of eight fiscal years of two terms. However, under special circumstances, it does not preclude an Audit & Supervisory Committee Member from serving for up to a total of 12 fiscal years of three terms. If an Audit & Supervisory Committee Member wishes to concurrently serve as a director or audit & supervisory committee member for another listed company, they will be allowed to take concurrently up to a total of five positions, including the Company, in principle.

For senior management (Representative Directors and Directors with titles), the Board of Directors selects persons, focusing on their experience and ability to demonstrate strong leadership and expeditious, appropriate execution of the Company's management strategy and management plans.

If any senior management falls under the criteria for dismissal listed below, that person will be subject to consideration for dismissal.

- If that person is deemed to have failed to perform their function sufficiently, given an evaluation of the Company's performance and other factors.
- If that person commits misconduct or material breach of laws and regulations or the Articles of Incorporation in executing their duties.
- Besides, when any event occurs that is deemed difficult to perform their duties appropriately.

(Procedures in the nomination of Director and Audit & Supervisory Board Member candidates and appointment or dismissal of senior management)

1. Procedures in the nomination of Director and Audit & Supervisory Board Member candidates and the appointment of senior management

- (1) In order to ensure the appropriateness and transparency of policies and procedures in the appointment of officers, as well as to have Outside Directors proactively perform their roles in, advise on, and oversee the above appropriateness and transparency, the Company established the "Nomination and Remuneration Advisory Committee," as an optional advisory body to the Board of Directors. The committee comprises three or more members appointed by resolution of the Board of Directors, of which a majority are independent Outside Directors.
- (2) According to "policies on the nomination of Director and Audit & Supervisory Board Member candidates and appointment or dismissal of senior management," the Representative Director chooses the right persons as candidates for Director and Audit & Supervisory Board Member and senior management and drafts a proposal.
- (3) The Nomination and Remuneration Advisory Committee deliberates on the proposal drafted by the Representative Director, determines its opinion, and gives its advice (*toshin*) to the Board of Directors.
- (4) The Board of Directors deliberates on the proposal based on advice from the Nomination and Remuneration Advisory Committee to determine candidates for Director and Audit & Supervisory Board Member and appoint senior management. (Directors and Audit & Supervisory Board Members are selected by resolution of the General Meeting of Shareholders.)

2. Procedures for the dismissal of senior management

- (1) The Nomination and Remuneration Advisory Committee evaluates senior management in light of the Company's business performance and other factors at least once a year.
- (2) If the above evaluation reveals that any senior management falls under the dismissal criteria, the Nomination and Remuneration Advisory Committee will deliberate on the appropriateness of dismissing that person and give its advice (*toshin*) to the Board of Directors.
- (3) The Board of Directors deliberates based on the advice from the Nomination and Remuneration Advisory Committee and determines whether it is appropriate to dismiss that senior management.

(Procedures for making decisions on the dismissal of Directors and Audit & Supervisory Board Members are to accord with the provisions of the Companies Act.)

- v) Explanation of individual appointment or dismissal and nominations when the Board of Directors appoints or dismisses senior management and nominates Director candidates and Audit & Supervisory Board Member candidates following iv) above

Nominations of Director candidates and Audit & Supervisory Board Member candidates are disclosed in the reference materials attached to the convocation notice for the Ordinary General Meeting of Shareholders. Please refer to:

The Notice of the Convocation of the 155th Ordinary General Meeting of Shareholders

([https://www.nissanchem.co.jp/eng/news\\_release/release/en2025\\_05\\_29.pdf](https://www.nissanchem.co.jp/eng/news_release/release/en2025_05_29.pdf))

The information on the appointment or dismissal of senior management is disclosed as appropriate on the Company website.

[Supplementary Principle 3.1.3 Disclosure on sustainability and related matters] (Updated)

#### 1. Initiatives on sustainability

To attain sustainable growth along with society, the Company is promoting its initiatives on material issues (Materiality), which it identifies based on recognizing social issues and changes, such as SDGs and ESG. The whole picture of sustainability, including the structure to promote initiatives, is described on the Company website:

([https://www.nissanchem.co.jp/eng/csr\\_info/management/policy.html](https://www.nissanchem.co.jp/eng/csr_info/management/policy.html)) and  
([https://www.nissanchem.co.jp/eng/csr\\_info/index.html](https://www.nissanchem.co.jp/eng/csr_info/index.html))

#### 2. Initiatives to disclose information based on TCFD or an equivalent framework

The Company is enhancing its efforts to disclose information according to the framework of TCFD, such as the analysis results of 1.5- and 4-degree C climate scenarios. The status of information disclosure in line with the TCFD Recommendations is posted on the Company website:

([https://www.nissanchem.co.jp/eng/csr\\_info/management/tcfd.html](https://www.nissanchem.co.jp/eng/csr_info/management/tcfd.html)) and  
([https://www.nissanchem.co.jp/eng/csr\\_info/management/tcfd\\_climate.html](https://www.nissanchem.co.jp/eng/csr_info/management/tcfd_climate.html))

#### 3. Initiatives to disclose information based on TNFD or an equivalent framework

The Company is enhancing its efforts to disclose information according to the framework of TNFD. The status of information disclosure in line with the TNFD Recommendations is posted on the Company website:  
([https://www.nissanchem.co.jp/eng/csr\\_info/management/tnfd\\_natural.html](https://www.nissanchem.co.jp/eng/csr_info/management/tnfd_natural.html))

#### 4. Investments in human capital

The Company's R&D professional staff accounts for about 40% of employees in regular positions (for the Company alone), representing its stance to focus on research and development.

Also, recognizing that the retention and training of personnel are essential for enhancing sustainable corporate value, the Company provides various training programs. They include self-start training for new employees to study how to "create and propose a unique and original plan and put it into practice" for two or three years after their joining, training before promotion to manager or an equivalent position to "develop the future-creating leadership," and overseas language study programs to respond to the globalization of businesses. Besides, to gauge employees' enthusiasm and attitude toward their work, the Company assesses the degrees of their engagement in their respective jobs by conducting a questionnaire survey every year, and releases its numerical results.

Details of the information regarding the human capital of the Company are disclosed on pages 27 through 30 of our Integrated Report 2025 ([nissanchem.co.jp/eng/ir\\_info/archive/ar/ar2025.pdf](https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2025.pdf)) and pages 23 through 25 of our Securities Report for the 155th fiscal year.

([https://www.nissanchem.co.jp/ir\\_info/library/securities.html](https://www.nissanchem.co.jp/ir_info/library/securities.html)), and (1) through (4) below on our website.

##### (1) Personnel Retention and Training

([https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/system.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/system.html))

##### (2) Promotion of Diversity

([https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/respect.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/respect.html))

##### (3) Maintenance and Improvement of Employees' Health

([https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/workplace.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html))

#### (4) Creation of a Comfortable Workplace

([https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/dialogue.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/dialogue.html))

#### 5. Investments in intellectual properties

The Company has extensive experience and proven records of investing in and utilizing intellectual properties. Under the Company Philosophy, “We offer the value sought by society and contribute to the protection of the global environment and the continued existence and development of humanity,” we have consistently valued intellectual properties and intensively invested our management resources in research and development, the resources for growth. For instance, the ratio of sales turnover to R&D expenses has stayed at around 7 to 8%, ranking at the top level among many chemical manufacturers. The research and development outcomes are represented in the operating income margin, which has stayed at 10% or over for twenty-two consecutive years by prioritizing the high-value business.

Details of the information related to R&D are disclosed on pages 31 through 34 of our Integrated Report 2025 ([https://www.nissanchem.co.jp/eng/ir\\_info/archive/ar/ar2025.pdf](https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2025.pdf))

Also, details of the information related to the Company’s intellectual properties are disclosed on pages 35 and 36 of our Integrated Report 2025 ([https://www.nissanchem.co.jp/eng/ir\\_info/archive/ar/ar2025.pdf](https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2025.pdf)).

#### [Supplementary Principle 4.1.1 Summary of the Scope of Delegation by the Board of Directors to the Management]

The Company set a policy that by introducing a system of executive officers and clarifying the management decision-making and oversight function, and the executive function, it will strengthen both roles and enhance its capacity to develop and realize management strategies. With that aim, the Board of Directors makes decisions on material matters related to management. Considering the Company’s business scale and other factors, the Board of Directors Rules set specific criteria, such as certain transaction amounts, for the matters to be deliberated by the board and define the scope of the board’s decisions. Following the Company’s internal rules and to the extent permitted by laws and regulations and the Articles of Incorporation, the Board of Directors delegates matters that do not require its decision under the Board of Directors Rules to the Management Meeting or other bodies, depending on their importance.

#### [Supplementary Principle 4.1.3 Succession Plan]

We have set a succession plan for the President and CEO. In fiscal year 2022, the Nomination and Remuneration Advisory Committee intensively deliberated the formulation of the plan, which the Board of Directors resolved in fiscal year 2023. The overview of the plan is as follows:

##### (1) Purpose of Succession Planning

We acknowledge that replacing our President and CEO with an adequate successor at an appropriate time is indispensable for ensuring the Company’s sustainable development and enhancing the mid-to-long-term corporate value. To actualize such replacement, we formulated the “Succession Plan for President and CEO” (“Succession Plan”), which was subsequently resolved by the Board of Directors.

##### (2) Basic Idea

In the Plan, looking at the future replacement of our President and CEO, we select and train potential candidates for succession and develop their knowledge, skills, and abilities as required before identifying a person who perfectly fits, in principle.

##### (3) Road Map

We compiled a road map of the necessary processes to implement the Plan appropriately.

##### (4) Roles and Functions

In the Plan, the President and CEO, the Nomination and Remuneration Advisory Committee, and the Board of Directors have their respective roles and functions as follows:

1) President and CEO

The President and CEO prepares an original draft of the Plan and puts it into practice.

2) Nomination and Remuneration Advisory Committee

To enhance the supervisory function and support the proactive engagement of the Board of Directors in the Plan, the Committee thoroughly reviews and deliberates on the original draft of the Plan and its implementation progress and reports it to the Board of Directors.

3) Board of Directors

Based on the Committee's report, the Board of Directors checks the implementation progress and oversees the whole process so that the Plan is appropriately carried out through its proactive engagement.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company's independence standards for Outside Officers are as follows:

The Company's independent Outside Officers (Directors and Audit & Supervisory Board Members) and independent Outside Officer candidates shall fulfill the requirements for Outside Officers under the Companies Act and the following independence standards.

- (1) Not being an executive (a person who executes business) of the Company or its subsidiaries, nor have been the same during the past ten years (however, if the person had been a non-executive director or audit & supervisory board member of the Company or its subsidiaries at some point during the past ten years, additional ten years prior to their assumption of that role should be counted.)
- (2) Not being one of the Company's major shareholders with 10% or more of voting rights or an executive thereof
- (3) Not being an executive of a corporation of which the Company is a major shareholder (a shareholder with 10% or more of voting rights)
- (4) Not being a major client or supplier (a client or supplier from whom the value of average payments for transactions to the Company or its subsidiaries over the past three fiscal years exceeds 2% of the average annual consolidated net sales of the Company over the past three fiscal years) of the Company or its subsidiaries or an executive thereof
- (5) Not being a party whose major client or supplier is the Company or its subsidiaries (a party to whom the value of average payments for transactions by the Company or its subsidiaries over the past three fiscal years exceeds 2% of the average annual consolidated net sales of that party over the past three fiscal years), or an executive thereof
- (6) Not being an executive of a major financial institution with which the Company has borrowings (a financial institution from whom the average amount of the Company's consolidated fiscal-year-end balance of borrowings over the past three fiscal years exceeds 2% of the Company's average annual consolidated fiscal-year-end total assets over the past three fiscal years) nor having been an executive thereof for the past three years
- (7) Not being an attorney, certified public accountant, certified public tax accountant, another consultant, researcher, or educator who receives from the Company a large amount of monetary consideration or other property (an average annual amount over the past three fiscal years of over ¥10 million for individuals or, in the event the recipient is a corporation or other organization that said individual is affiliated with or retained by, of an amount in excess of 2% of that organization's average annual total revenues over the past three fiscal years) other than Director and Audit & Supervisory Board Member remunerations
- (8) Not being a close relative (spouse, person within the second degree of kinship, or relative living together) of an executive (limited to key personnel) of the Company or its subsidiaries
- (9) Besides the above items (1) through (8), being such a person as the Board of Directors rationally determines that their independence as an independent Outside Officer is unquestionable, and there is no risk of a conflict of interest with the general shareholders of the Company.

[Supplementary Principle 4.10.1 Disclosure on the Nomination Committee and the Remuneration Committee]



The Company's views on the independence of the Nomination and Remuneration Advisory Committee, their mandates and roles, and other functions are described in Supplementary Explanation for the "Committees Voluntarily Established, Composition of Committee Members, and Attributes of Committee Chair" under "II-1, Organizational Composition and Operation (Directors)" in this Report.

[Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience, and Skills of the Board as a Whole, and Diversity and Appropriate Board Size]

The Company aims to strengthen both functions of swift management decision-making and oversight and execution by clarifying their roles to enhance its capability to develop and implement management strategies. For that objective, we need to ensure substantial deliberation by the Board of Directors. In addition, we consider 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 chemicals, performance materials, agricultural 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 identified the following expertise and experience required for its directors (skills requirements). "Corporate management," "research and development/technologies," "finance and accounting," "legal/risk management/internal control," "personnel affairs/personnel strategies," and "global experience." The Company makes the board consist of appropriate persons as its directors who have met the above-skills requirements appropriately, and who are healthy, physically and mentally, and trusted and respected for their excellent characters, a high level of insight, and a sense of ethics. Based on the Management Strategy and relevant policies, we will review the above skills requirements as necessary.

The Company has set the number of Directors at no more than twelve, including more than one Outside Director, and the board is currently composed of ten Directors (including four independent Outside Directors, consisting of two males and two females). As it comprises diverse members with abundant knowledge, experience, and skills in international business development, we determine that the board functions well and is sufficiently effective.

For the skills matrix for the board, which lists the expertise and experience expected of the Company's directors, see "2. Other Matters Concerning Corporate Governance System" under "V. Other" in this Report. The same information is posted on the Company website:(<https://www.nissanchem.co.jp/eng/profile/corporate.html>)

[Supplementary Principle 4.11.2 Status of Concurrent Appointments of Directors or Audit & Supervisory Board Members at Other Listed Companies] (Updated)

The status of concurrent appointments of the Company's Directors and Audit & Supervisory Board Members at other listed companies is as follows:

- Director, Ms. NAKAGAWA  
Outside Director of NITTO KOGYO CORPORATION, Outside Audit & Supervisory Board Member of SBI Shinsei Bank, Limited, and Outside Director of ASKUL Corporation
- Director, Mr. HAMA  
Outside Director of Nichirei Corporation
- Audit & Supervisory Board Member, Mr. KATAYAMA  
Supervisory Director of HEIWA REAL ESTATE REIT, Inc., Outside Audit & Supervisory Board Member of Livesense Inc., and Outside Director of create restaurants holdings inc.
- Audit & Supervisory Board Member, Mr. KINUGAWA  
Outside Director of The Bank of Nagoya, Ltd., Outside Director of RIKEN TECHNOS CORPORATION, and Outside Director of Takachiho Koheki Co., Ltd.

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Board of Directors' Effectiveness as a Whole]  
Every year, the Company analyzes and evaluates to assess whether the Board of Directors has fulfilled its key roles and responsibilities ("Effectiveness Evaluation"). (The roles and responsibilities of the Board of Directors are as described in "(4) Responsibilities of the Board of Directors" of "ii) Basic views and guidelines on corporate governance <Basic guidelines on corporate governance>" under "[Principle 3.1 Information Disclosure]" above.)

### (1) Methods of analysis and evaluation

The Company has performed the Effectiveness Evaluation annually since fiscal year 2015. 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 (3) years using an external organization that has no relationship of interest with us. The latest third-party evaluation was conducted in fiscal year 2023.

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 to enhance the self-evaluation.

For the Effective Evaluation for fiscal year 2024, the Company performed the self-assessment process. At the Board of Directors meeting held in April 2025, the board members shared, analyzed, and evaluated the questionnaire responses and discussed the issues to be addressed. The outcomes of their analysis and the selection of the priority issues to address were further deliberated and confirmed at the Board of Directors held in May 2025.

### (2) Overview of the results of the Effectiveness Evaluation for fiscal year 2024

With the object of performing its key roles and responsibilities, the results of the Effectiveness Evaluation for fiscal year 2023 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 fiscal year 2023. Thus, the effectiveness of the overall Board of Directors was positively assessed and confirmed as being sufficiently ensured.

\*Issues identified in the Effectiveness Evaluation for fiscal year 2023 and initiatives implemented in fiscal year 2024 are as follows:

#### 1) Issues identified in the Effectiveness Evaluation for fiscal year 2023

- i) To deepen the debate on key problems in each business segment, mid-to-long-term business portfolio, distribution of management resources, and other essential matters.
- ii) To discuss the future formation and ideal state of the Board of Directors.
- iii) For internal Directors, to strive to participate in discussions from a holistic perspective and create an environment where every member can freely speak and discuss by improving the way of explanation and upgrading equipment and devices for meetings.

#### 2) Initiatives implemented in fiscal year 2024

- i) The Board of Directors had free discussions on "business portfolio management" at its meeting.
- ii) The Nomination and Remuneration Advisory Committee discussed "the formation and ideal state of the Board of Directors" and reported the main opinions at the board meeting.
- iii) We introduced microphone devices to enhance the conference room environment, thereby facilitating vigorous discussions at both face-to-face and hybrid meetings (in-person and online).

### (3) Actions to take

The Board of Directors acknowledged the following points as issues to address in fiscal year 2025 and confirmed the action plan to take.

#### i) Issues to address:

We should deepen our discussions on how to approach "risk-taking in investment" and what principles to follow.

#### ii) Action plan:

We should have free discussions and take out time to discuss "risk-taking in investment" over several meetings of the Board of Directors.

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.

The outline of the results of the Effectiveness Evaluation for the fiscal year 2024 is posted on the Company website: ([https://www.nissanchem.co.jp/eng/news\\_release/release/en2025\\_05\\_29\\_02.pdf](https://www.nissanchem.co.jp/eng/news_release/release/en2025_05_29_02.pdf))

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit & Supervisory Board Members] (Updated)

To help its Directors and Audit & Supervisory Board Members fulfill their roles and responsibilities appropriately upon their appointment, the Company provides Directors with training from outside specialists concerning their legal obligations and responsibilities required to comply with as officers and related matters. Additionally, following their appointment, we offer further training necessary for Directors and Audit & Supervisory Board Members to fulfill their roles and responsibilities appropriately, and continuously provide and encourage them to take advantage of training and seminars. The implementation status for fiscal years 2024 and 2025 is as follows:

FY2024: Two training sessions provided by outside specialists (on the themes "Business portfolio management" and "Antitrust Act")

FY2025: One session provided by an outside specialist (on the theme "Capital cost") and another session is scheduled to be held by the end of this fiscal year.

Furthermore, upon the appointment of Outside Officers, we provide them with a briefing on our businesses and organizations to deepen their understanding of the Group's management strategies, business details, operations status, and related aspects. After their appointment, we provide them with necessary information about our business issues and other matters, as well as opportunities to visit our plants, laboratories, subsidiaries, and other facilities and to participate in our internal meetings and sessions.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders] (Updated)

We are working through concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase corporate value over the medium to long term. As part of these initiatives, the Company values dialogue with stakeholders, including shareholders, and discloses information appropriately.

Other principles for creating systems and initiatives to promote constructive dialogue with shareholders are described below.

- (1) Appointment of a member of management or a Director who is responsible for overseeing general dialogue and ensuring that constructive dialogue with shareholders takes place

The Company has a CFO & Director in charge of the Finance & Accounting Department and a department in charge of IR (Sustainability Promotion & IR Department) in order to supervise overall dialogue and realize constructive dialogue with shareholders and institutional investors.

- (2) Measures to ensure positive cooperation between internal departments such as IR, corporate planning, general affairs, corporate finance, accounting, and legal affairs, with the aim of supporting dialogue

The Company has a department in charge of IR (Sustainability Promotion & IR Department), a department in charge of Shareholder Relations ("SR") (Corporate Planning Department), and a department in charge of Public Relations (Corporate Planning Department). Those departments cooperate in providing timely disclosure and other information appropriately to promote constructive dialogue with shareholders and institutional investors and continue to offer information necessary for investment decisions in a timely, fair, and equitable manner.

- (3) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities)

Domestically, the President & COO conducts briefings on business plans, and the CFO & Director in charge of the Finance & Accounting Department provides the same on quarterly financial results (including telephone

and video conferences) and business status. In addition, every year, the CFO & Director in charge of the Finance & Accounting Department participates in conferences sponsored by securities companies and held in the United States, Europe, Asia, and other regions and seeks to have direct dialogue with overseas institutional investors.

As to the briefings on financial results above, the materials (in the Japanese and English versions), audio and video (only the Japanese version), and their scripts, including Q&A sessions (in the Japanese and English versions), are posted on the Company website ([https://www.nissanchem.co.jp/eng/ir\\_info/library/financial\\_report.html](https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html)) to provide them to shareholders.

Further, in March 2023, the CEO & Director in charge of the Sustainability Promotion and IR Department held a briefing on ESG activities, the materials of which are posted on the Company website ([https://www.nissanchem.co.jp/eng/news\\_release/release/en2023\\_03\\_31.pdf](https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf)).

(4) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the Board of Directors

The Board of Directors and other committees/meetings receive regular reports on opinions, concerns, and other feedback from shareholders and institutional investors picked up during dialogue with them. Such information is utilized for subsequent IR and SR policies and dialogue with shareholders and institutional investors. Regarding the implementation status of dialogue with our shareholders during the fiscal year 2024, we had a total of 546 sessions with domestic and overseas institutional investors and securities companies. The main themes discussed at those sessions were the medium-term business plan “Vista 2027,” the performance of each business segment, and ESG-related matters, and we provided them with explanations on these subjects and exchanged opinions with them.

(5) Measures to control insider information when engaging in dialogue

When engaging in dialogue, the Company takes appropriate measures under its internal rules (such as the Insider Trading Management Rules) not to communicate insider information.

(6) Identification of shareholder ownership structure

By regularly surveying the status of shareholdings by substantial shareholders, the Company works to identify its shareholder ownership structure and use it for constructive dialogue with shareholders and institutional investors.

#### **[Actions for realizing capital cost and stock price-conscious management]**

Content of Descriptions	Disclosure of actions taken (Updated)
Disclosure in English	Disclosed
Date of update (Updated)	June 26, 2025

#### **[Explanation on Relevant Items]**

The Company undertakes to maintain a high level of ROE as the most important management indicator. Specifically, in the medium-term business plan “Vista 2027 Stage II,” we have set a target of ROE at 18% or more and are working on enhancing capital efficiency. Also, with targets of a dividend payout ratio of 55% or more and a total payout ratio of 75% or more, we are striving to increase shareholders’ returns proactively. For the details of the medium-term business plan “Vista 2027 Stage II,” please refer to the Company website

([https://www.nissanchem.co.jp/eng/ir\\_info/library/business\\_plan.html](https://www.nissanchem.co.jp/eng/ir_info/library/business_plan.html))

In fiscal year 2024, the Company’s actual ROE was 18.7%, the dividend payout ratio was 55.5%, and the total payout ratio was 82.0%, thereby attaining the targets. The transition of performance indicators, including ROE, and the financial prospect for the next fiscal year are described in the explanation materials for the briefings on results for the fiscal year ending in March 2025.

([https://www.nissanchem.co.jp/eng/ir\\_info/library/pdf/AM/am2025\\_03.pdf](https://www.nissanchem.co.jp/eng/ir_info/library/pdf/AM/am2025_03.pdf))

As to the capital cost, we calculate WACC (Weighted Average Cost of Capital) and the cost of shareholders’ equity and report them to the Board of Directors to deepen internal discussions on these aspects.

Further, for the performance-linked stock compensation plan introduced by the Company, we employ the following performance evaluation indexes: income attributable to owners of our parent company, EBITDA, ROE, and a comparison of rates of year-on-year volatility for the Company's stock price and TOPIX. In particular, we encourage each Director to pay attention to the enhancement of capital efficiency in ROE and a rise in the Company's stock price when comparing the rates of year-on-year volatility for the stock price and TOPIX. For the policy on determining remuneration, please refer to the "II-1. Organizational Composition and Operation [Directors Remuneration] Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods Thereof" below in this Report.

## 2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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### [Status of Major Shareholders] (Updated)

Name/Company Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,303,700	24.67
Custody Bank of Japan, Ltd. (Trust Account)	15,994,100	11.85
Custody Bank of Japan, Ltd. as trustee for the Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust	5,467,800	4.05
Nissan Chemical Corporation Customer Shareholders Association	3,720,300	2.76
STATE STREET BANK AND TRUST COMPANY 505001	1,916,723	1.42
Meiji Yasuda Life Insurance Company	1,861,000	1.38
JP MORGAN CHASE BANK 385781	1,833,138	1.36
STATE STREET BANK AND TRUST COMPANY 505103	1,634,581	1.21
STATE STREET BANK WEST CLIENT – TREATY 505234	1,592,700	1.18
Sompo Japan Insurance Inc.	1,547,000	1.15

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

### Supplementary Explanation (Updated)

- (1) The above is the status of major shareholders as of September 30, 2025.
- (2) Other than the above, the Company owns 1,812 thousand treasury shares.
- (3) In the Statement of Large-Volume Holdings (Statement of Changes) provided for public viewing, the following companies are reported to hold the Company's shares as below. However, since the Company is unable to confirm the actual number of shares held by each company as of September 30, 2025, they are not included in the status of major shareholders above.

[Submission Date]  
[Person Who Submitted][Number of Shares Held (Holding Ratio of Shares and Other Securities)]

April 1, 2024,  
Mitsubishi UFJ Financial Group, Inc. 6,969 thousand shares (5.02%) as of March 25, 2024

October 17, 2024,  
Nomura Securities Co., Ltd., 14,732 thousand shares (10.69%) as of October 10, 2024

November 8, 2024,  
Mizuho Bank, Ltd., 9,755 thousand shares (7.08%) as of October 31, 2024

March 19, 2025,  
BlackRock Japan Co., Ltd., 6,892 thousand shares (5.04%) as of March 14, 2025

October 21, 2025  
Sumitomo Mitsui Trust Bank, Limited, 11,070 thousand shares (8.09%) as of October 15, 2025

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Chemicals
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

### 4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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### 5. Special Circumstances Which May Have Material Impact on Corporate Governance

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman & CEO
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Designated from among Outside Directors	4

#### Outside Directors' Relationships with the Company (1)

Name	Attribute	Relationships with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
KATAOKA Kazunori	Scholar								△			
NAKAGAWA Miyuki	Attorney-at-law											
TAKEOKA Yuko	Scholar											
HAMA Itsuo	From another company								△			

\* Categories for "Relationships with the Company."

\* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

\* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d., e., or f.) (the Director themselves only)

i. Executive of a company, between which and the Company Outside Officers are mutually appointed (the Director themselves only)

- j. Executive of a company or other organization that receives a donation from the Company (the Director themselves only)
- k. Others

Outside Directors' Relationships with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
KATAOKA Kazunori	○	Mr. KATAOKA Kazunori, an independent Outside Director, serves as Deputy Chairman of the Kawasaki Institute of Industrial Promotion, Director General of the Innovation Center of NanoMedicine of the said institute, and Professor Emeritus at The University of Tokyo. The Company has transactions with The University of Tokyo, such as contracted testing. However, given the scale and nature of this involvement (an annual average of less than 0.1% of the university's ordinary revenue for the past three fiscal years), the Company judges no risk of affecting the decisions of shareholders and investors. No transactional relationship exists between the Kawasaki Institute of Industrial Promotion and the Company.	The Company determines that Mr. KATAOKA's expertise as a Doctor of Engineering, abundant experience, and wide-ranging knowledge make him suitable as an Outside Director. Furthermore, the Company judges that Mr. KATAOKA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders.
NAKAGAWA Miyuki	○	Ms. NAKAGAWA Miyuki, an independent Outside Director, is an attorney-at-law and the President of the Kousui Law Office and a Professor at Chuo Law School. No transactional relationship exists between this firm and the Company, nor between the university and the Company.	The Company determines that Ms. NAKAGAWA's abundant experience and specialist knowledge as a prosecutor and her experience to date in contributing to corporate management as an outside director make her suitable as an Outside Director. Furthermore, the Company judges that Ms. NAKAGAWA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders.



Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
TAKEOKA Yuko	○	Ms. TAKEOKA Yuko, an independent Outside Director, is a Professor at Sophia University and the Director of the University's Center for Research Promotion & Support. No transactional relationship exists between the Center and the Company, nor the university and the Company.	The Company determines that Ms. TAKEOKA's expertise as a Doctor of Engineering, abundant experience, and wide-ranging knowledge make her suitable as an Outside Director. Furthermore, the Company judges that Ms. TAKEOKA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders.
HAMA Itsuo	○	Mr. HAMA Itsuo, an independent Outside Director, is an Executive Advisor for Lion Corporation. No transactional relationship exists between Lion Corporation and the Company.	The Company determines that Mr. HAMA's abundant experience and extensive insight as an experienced manager of a corporate group that pursues business globally, particularly in Asia, make him suitable as an Outside Director. Furthermore, the Company judges that Mr. HAMA has no special interest relationships with management, and there is no risk of conflict of interest with the general shareholders.

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established
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#### Committees Voluntarily Established, Composition of Committee Members, and Attributes of Committee Chair

	Name of committee	Number of committee members	Number of full-time committee members	Number of Internal Directors	Number of Outside Directors	Number of external experts	Number of others	Committee chair
Voluntarily established committee equivalent to a nomination committee	Nomination and Remuneration Advisory Committee	6	0	2	4	0	0	Internal Director
Voluntarily established committee equivalent to a remuneration committee	Nomination and Remuneration Advisory Committee	6	0	2	4	0	0	Internal Director

## Supplementary Explanation

On April 1, 2019, the Company established its Nomination and Remuneration Advisory Committee, which acts as an advisory body under the Board of Directors to strengthen the Board of Directors' independence, objectivity, and accountability for the nomination, remuneration, and related matters for the Directors, and further enhance corporate governance. The Nomination and Remuneration Advisory Committee has both the functions of a nomination committee and a remuneration committee.

The Nomination and Remuneration Advisory Committee comprises three or more members appointed by resolution of the Board of Directors, of which a majority are independent Outside Directors. The Chairman & CEO is selected as the committee chair by resolution of the committee from among its members. The Corporate Planning Department works as the secretariat of the Nomination and Remuneration Advisory Committee. As of June 26, 2025, the committee chair and members of the Nomination and Remuneration Advisory Committee are as follows:

- Committee chair: KINOSHITA Kojiro (Chairman & CEO) (served since April 1, 2019)
- Committee member: KATAOKA Kazunori (independent Outside Director) (served since June 25, 2020)
- Committee member: NAKAGAWA Miyuki (independent Outside Director) (served since June 25, 2021)
- Committee member: TAKEOKA Yuko (independent Outside Director) (served since June 28, 2023)
- Committee member: HAMA Itsuo (independent Outside Director) (served since June 26, 2025)
- Committee member: YAGI Shinsuke (President & COO) (served since April 1, 2021)

In response to the consultation by the Board of Directors, the Nomination and Remuneration Advisory Committee deliberates on matters that include the nomination of Directors and Audit & Supervisory Board Member candidates, the appointment of senior management, the Succession Plan for senior management, and the remuneration of Directors. The committee then submits the outcome of such deliberations as its advice (*toshin*) to the Board of Directors. The committee met on seven occasions between June 2024 and May 2025, and the committee chair and all the members attended each session, except for Ms. TAKEOKA Yuko, who was absent once. At the committee meetings held in fiscal year 2024, in addition to regularly deliberated matters, the following matters were discussed at the committee.

- Formation and ideal state of the Board of Directors
- Skill matrix of the Board of Directors members
- Types (cash and stock) of officers' remuneration and the ratio between money and stock
- Status of stock compensation
- The Company's remuneration level in light of the survey results of officers' remuneration in other companies

### [Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

## Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Department

- The Company's Audit & Supervisory Board Members, Accounting Auditor, Internal Audit Department, Outside Directors, audit & supervisory board members of the subsidiaries, and related parties exchange their opinions regularly or as required and work in cooperation.
- If deemed necessary by Audit & Supervisory Board Members and Outside Directors, they may obtain advice from outside specialists at the Company's expense.

- An assistant to Audit & Supervisory Board Members and the Corporate Planning Department, or another department, acts as a liaison to communicate and coordinate internally or with the subsidiaries or related parties to provide company information appropriately at the instructions of Audit & Supervisory Board Members and Outside Directors.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	3

#### Outside Audit & Supervisory Board Members' Relationships with the Company (1)

Name	Attribute	Relationships with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
KATAYAMA Noriyuki	Attorney-at-law													
TAKAHAMA Shigeru	Certified public accountant													
KINUGAWA Sachie	From another company							△						

\* Categories for "Relationships with the Company."

\* "○" when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;

"△" when the Audit & Supervisory Board Members fell under the category in the past

\* "●" when a close relative of the Audit & Supervisory Board Members presently falls or has recently fallen under the category;

"▲" when a close relative of the Audit & Supervisory Board Members fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. Audit & Supervisory Board Member of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. Party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f., g., or h.) (the Audit & Supervisory Board Member themselves only)

k. Executive of a company, between which and the Company Outside Officers are mutually appointed (the Audit & Supervisory Board Member themselves only)

l. Executive of a company or other organization that receives a donation from the Company (the Audit & Supervisory Board Members themselves only)

m. Others

Outside Audit & Supervisory Board Members' Relationships with the Company (2) (Updated)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
KATAYAMA Noriyuki	○	Mr. KATAYAMA Noriyuki, an independent Outside Audit & Supervisory Board Member, is a partner attorney at City-Yuwa Partners. No transactional relationship exists between this firm and the Company.	The Company determines that Mr. KATAYAMA's abundant experience and specialist knowledge as an attorney-at-law make him suitable as an Outside Audit & Supervisory Board Member. Furthermore, the Company judges that Mr. KATAYAMA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders.
TAKAHAMA Shigeru	○	Mr. TAKAHAMA Shigeru, an independent Outside Audit & Supervisory Board Member, is the President of the Takahama CPA Office. No transactional relationship exists between this firm and the Company.	The Company determines that Mr. TAKAHAMA's abundant experience and specialist knowledge as a certified public accountant make him suitable as an Outside Audit & Supervisory Board Member. Furthermore, the Company judges that Mr. TAKAHAMA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders.
KINUGAWA Sachie	○	Ms. KINUGAWA Sachie, an independent Outside Audit & Supervisory Board Member, previously served at The Fuji Bank, Limited, currently Mizuho Bank, Ltd., which falls under a major financial institution in light of the independence standards disclosed by the Company. However, because Ms. KINUGAWA is not currently, nor had been, the person who executes the business of Mizuho Bank, Ltd., for the last three years, the Company judges that there would be no risk of affecting the decisions of its shareholders and investors.	The Company determines that Ms. KINUGAWA's abundant experience, including corporate management and wide-ranging knowledge, including specialist knowledge of finance, makes her suitable as an Outside Audit & Supervisory Board Member. Furthermore, the Company judges that Ms. KINUGAWA has no special interest relationships with management, and there is no risk of conflict of interest with the general shareholders.

**[Independent Officers]**

Number of Independent Officers	7
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## [Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked compensation plan
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### Supplementary Explanation on Relevant Items

The Company has adopted performance-linked stock compensation for Directors (excluding Outside Directors) to increase their motivation for contributing to improving earnings over the medium to long term and enhancing corporate value by clarifying the link between the Company's performance and its stock price and sharing between Directors and shareholders the risk of a decline in the stock price, as well as the benefits of its increase.

The Nomination and Remuneration Advisory Committee, established as an advisory body under the Board of Directors, enlists the involvement and advice of independent Outside Directors on the amounts and the method for the determination of Directors' remuneration. The Nomination and Remuneration Advisory Committee comprises three or more members appointed by resolution of the Board of Directors, of which a majority are independent Outside Directors. The Chairman & CEO is selected as the committee chair by resolution of the committee from among its members.

Under the Company's performance-linked stock compensation plan, the Company grants its officers points based on its net income attributable to owners of parent (average rate of change over the last three years), EBITDA (average rate of change over the last three years), ROE (actual results for the current fiscal year), and comparison of rates of year-on-year volatility in the Company's stock price and TOPIX. Each fiscal year, we determine whether the points are to be granted to officers and the number of points to be granted, if any, and ultimately pay its officers remuneration and other rewards equivalent to such points accumulated upon their retirement.

The benchmarks for the performance-linked stock compensation are selected for the following reasons.

- (1) Net income attributable to owners of parent (average rate of change over the last three years):  
It is a benchmark to be noted as the Company's bottom-line profit in the medium and long term.
- (2) EBITDA (average rate of change over the last three years):  
Since the Company focuses on capital expenditure and R&D investment geared to achieving future growth, it is deemed appropriate to evaluate business performance using EBITDA, which incorporates depreciation and amortization of goodwill into operating income.
- (3) ROE (actual results for the current fiscal year):  
Since the Company regards ROE as the most important management indicator, it is deemed appropriate to use ROE as a performance benchmark for this plan.
- (4) Comparison of rates of year-on-year volatility in the Company's stock price and TOPIX (rate of the volatility of the Company's stock price - the rate of TOPIX volatility):  
As it is recognized that stock prices are formed as a reflection of market expectations from a medium-to long-term perspective, any person engaging in company management needs to pay attention to the above benchmark.

For details on the method for determining amounts of performance-linked stock compensation, please refer to "II. 1. Organizational Composition and Operation, [Director Remuneration], Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods Thereof" in this Report.

Recipients of Stock Options	
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## Supplementary Explanation on Relevant Items

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### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	Partial disclosure of individual Directors' remunerations
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## Supplementary Explanation on Relevant Items

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The total amount of remuneration paid to Directors in fiscal year 2024:

¥457 million for ten Directors

(Note) The above remuneration includes ¥5 million of expenses recorded in fiscal year 2024 for stock compensation paid to six Directors, excluding Outside Directors.

(Note) Representative Directors' respective remunerations are disclosed as follows:

KINOSHITA Kojiro (Chairman and CEO) ¥92 million (consisting of ¥64 million for base remuneration, ¥26 million for performance-related remuneration, and ¥1 million for performance-linked stock compensation)

YAGI Shinsuke (President and COO) ¥92 million (consisting of ¥64 million for base remuneration, ¥26 million for performance-related remuneration, and ¥1 million for performance-linked stock compensation)

Policy for Determining Remuneration Amounts or Calculation Methods Thereof	Established
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## Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods Thereof

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### 1. Basic policy

We maintain, as our fundamental principle, the remuneration structure for Directors that encourages them to contribute to increasing operating performance continuously over the medium to long term and enhancing the overall value of the Group to meet our shareholders' expectations under the Company's management policies. Given that structure, in principle, we set the appropriate level of remuneration, taking into account the management environment, operating performance, consistency with payments and benefits for our employees, and other factors.

Specifically, 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 performance-linked stock compensation.

By clarifying the link between the performance and its stock price and sharing between Directors and shareholders the risk of a decline in the stock price, as well as the benefits of its increase, the performance-linked stock compensation for Directors (excluding Outside Directors) aims to increase their motivation for contributing to improving the Company's operating performance over the medium to long term.

### 2. Policy on determining the respective amounts of monetary remuneration (base remuneration and performance-related remuneration) for individual Directors (including rules on determining the time or the conditions of payment)

The base monetary remuneration for Directors shall be a fixed pay. The annual amount of the fixed payment shall be determined depending on their titles and duties and holistically considering the level of other companies'

directors' payments, the Company's operational performance, and the level of our employees' salaries. For the performance-related remuneration, we establish a base amount for each title and determine the annual amount according to the fluctuation of performance indicators.

Those indicators consist of

- (1) the profit indicators for the previous fiscal year (the net income attributable to owners of the parent, EBITDA, and the like) and
- (2) ESG indicators (the third-party assessment result, the reduction of GHG emissions, and the like)

The Company pays the above monetary remunerations to Directors not to exceed the limits of the total amount of Directors' remunerations determined by resolution at a general meeting of shareholders, respectively, every month in twelve installments.

3. Policy on determining details of performance-linked stock compensation, the breakdown of performance indicators, and the methodology to calculate the amount or the number of evaluation points for performance measurement (including rules on determining the time or the conditions for giving the stock compensation)

As for the performance-linked stock compensation for Directors, we employ the following calculation method. 1) Every fiscal year, the Company shall compute a specific number of evaluation points for each Director by multiplying (i) the title point depending on the job title assumed by the Director during the term of execution of duties by (ii) the performance evaluation index (showing the degree of achievement of the performance targets) consisting of income attributable to owners of our parent (the average rate of change over the last three years,) EBITDA (average rate of change over the last three years,) ROE (actual results for the current fiscal year,) and the comparison of rates of year-on-year volatility in the Company's stock price and TOPIX. 2) The Company grants each Director the evaluation points calculated as above, not to exceed the limit of the number determined by resolution at a general meeting of shareholders. 3) The above evaluation points shall be accumulated until the retirement of each Director. At the same time, the Company shall contribute a specific amount of cash to the Board Benefit Trust not to exceed the limit determined by resolution at a general meeting of shareholders. Upon the retirement of a Director, the Company will vest the Director with a specific number of the Company's stock equivalent to the number of their accumulated evaluation points. Upon retirement due to the expiration of the term of office, the Director will receive the Company's stock equivalent to approximately 75% of the accumulated evaluation points and the remaining approximately 25% in cash (the sum of which is computed at the Company's stock price at the time of retirement).

When formulating the Company's medium-term business plan, the performance indicators and their targets, or the basis of granting evaluation points, shall be reset. The Company determines those indicators and targets by the Board of Directors' resolution based on advice (*toshin*) from the Nomination and Remuneration Advisory Committee.

4. Policy on determining the proportion of monetary remuneration and performance-linked stock compensation to the total remuneration for individual Directors

For the proportion of each of the Directors' remuneration types (except for Outside Directors), the Nomination and Remuneration Advisory Committee shall deliberate based on the remuneration levels of other corporations of similar business size as the Company or that belong to related business types and categories as a benchmark. The Board of Directors will respect the Nomination and Remuneration Advisory Committee's advice (*toshin*) to determine details of remunerations for individual Directors within the respective limits of each remuneration type suggested in the advice.

When formulating the Company's medium-term business plan, the rough proportion of the respective remuneration types shall be reset and determined by the Board of Directors' resolution based on advice (*toshin*) from the Nomination and Remuneration Advisory Committee. Currently, the following proportion is effective as fixed when formulating the medium-term business plans starting in fiscal year 2022.

The proportion of the base remuneration (monetary remuneration), the performance-related remuneration (monetary remuneration), and the performance-linked stock compensation to the total remuneration shall be 65:28:7 (where the achievement of the performance indicators' targets is 100%).

## 5. Matters regarding the decision on details of remunerations for individual Directors

The amount of the monetary remuneration (consisting of base remuneration and performance-related one) for individual Directors shall be determined by the Board of Directors' resolution. The Board of Directors shall submit the original draft on those respective amounts prepared by the Representative Director to the Nomination and Remuneration Advisory Committee and seek and receive advice (*toshin*). The Board of Directors must respect the advice given to make its decision.

## 6. Other matters regarding the process to determine the details of remunerations for individual Directors

The Company has established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors. We ask for deliberation by and advice (*toshin*) from the Nomination and Remuneration Advisory Committee on the decision of establishing, amending, or abolishing any policy regarding the Directors' remunerations; the determination of their monetary remuneration to ensure the appropriate remuneration level and the objective and transparent decision-making process. The Nomination and Remuneration Advisory Committee shall consist of three or more committee members to be appointed by resolution of the Board of Directors, and independent Outside Directors shall form the simple majority.

For the composition and percentage of the Director's remuneration, please refer to the chart shown in "V. Others 2. Other Matters Concerning Corporate Governance System" below in this Report.

### [Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

#### 1. Supporting system for Outside Directors (four Outside Directors)

- Outside Directors attend the Board of Directors and other meetings and offer appropriate advice on management policies, management improvement, and other areas. They work closely with the Audit & Supervisory Board Members and related persons to oversee the management and fulfill other roles.
- The Corporate Planning Department and related departments provide Outside Audit & Supervisory Board Members with prior explanations on the content of proposals to be deliberated at the Board of Directors and other important matters. The Corporate Planning Department serves as a liaison for the Outside Audit & Supervisory Board Members.

#### 2. Supporting system for Outside Audit & Supervisory Board Members (three Outside Audit & Supervisory Board Members)

- Outside Audit & Supervisory Board Members attend the Board of Directors and other meetings, offer appropriate advice on the management policies, improvements, and other aspects, and conduct management audits.
- If requested by Audit & Supervisory Board Members, the Company assigns an employee as an assistant to the Audit & Supervisory Board Members to facilitate the efficient and smooth execution of their duties. That assistant aids audits, gathers and communicates information, and performs related tasks.
- The Corporate Planning Department and related departments provide the Outside Audit & Supervisory Board Members with prior explanations on the content of proposals to be deliberated at the Board of Directors and related matters. The Corporate Planning Department serves as a liaison for the Outside Audit & Supervisory Board Members.

[☒ Describe/ ☐ Not describe]

[Status of individuals who have retired from the office of Representative Director and President or similar office]

Name and other information regarding Former Representative Director and President, or the like, as Corporate Consultant ( <i>Sodanyaku</i> ), Corporate Advisor, or other position					
Name	Position/Title	Description of duties	Working form/conditions (Full-time/part-time, paid/unpaid, etc.)	Date of retirement as President or the like	Term of office



Total number of former Representative Directors and Presidents or the like acting as Corporate Consultants ( <i>Sodanyaku</i> ), Corporate Advisors, or in other positions	0 person
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Other matters
There are no individuals who once served as Representative Director and President or the like and are currently serving in another position, such as a Corporate Consultant ( <i>Sodanyaku</i> ) or a Corporate Advisor.  Under the Articles of Incorporation, the Company may appoint one or more Corporate Consultants ( <i>Sodanyaku</i> ) by the Board of Directors' resolution.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

### (1) Overview of the current corporate governance system

#### 1. Business execution and oversight

By clarifying the two functions of swift managerial decision-making and oversight, as well as execution, the Company seeks to strengthen both functions and enhance its capacity to develop and realize its management strategies. Also, by setting the term of office for Directors and Executive Officers at one year, we clarify management and business execution responsibilities.

#### 2. Board of Directors

The Company's Board of Directors comprises ten members (including four Outside Directors). In principle, the board meets monthly to resolve material matters related to management and oversee the execution of duties by Directors and Executive Officers. Material matters in the company management 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. In fiscal year 2024, the board met on 12 occasions from June 2024 to May 2025 with attendance by all Directors.

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.

#### 3. Audit & Supervisory Board

The Company's Audit & Supervisory Board comprises four members (including three Outside Audit & Supervisory Board Members). The Audit & Supervisory Board Members, based on the audit plan set by the Audit & Supervisory Board, 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. Mr. TAKAHAMA Shigeru, an Outside Audit & Supervisory Board Member, has long experience as a certified public accountant and considerable knowledge in finance and accounting. Ms. KINUGAWA Yukie, an Outside Audit & Supervisory Board Member, has long experience in banking institutions and considerable knowledge of finance and accounting.

#### 4. Nomination and Remuneration Advisory Committee

On April 1, 2019, the Company established its Nomination and Remuneration Advisory Committee 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. For details on the activities of the Nomination and Remuneration Advisory Committee, please refer to "II. 1. Organizational Composition and Operation, [Directors], Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee" in this Report.

#### 5. Accounting Audit

The Company has appointed the Yaesu Audit Company as its Accounting Auditor since the fiscal year 1975 (ongoing audit involvement for 50 years), and we receive audits appropriately throughout the fiscal year, not only the fiscal year-end audit.

In fiscal year 2024, the audit for the Company was executed by three certified public accountants: Messrs. MITSUI Tomoichi, WATANABE Takashi, and AI Junichi. The assistants for the audit work were twelve certified public accountants and five others.

#### 6. 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.

#### 7. Risk Management System and Compliance Promotion Structure

The Company has established the Risk Management & Compliance Committee, which is responsible for increasing the effectiveness of risk management activities and improving and promoting compliance. The committee is chaired by the Chief Risk Management Officer (CRO), appointed by the Board of Directors. The committee members comprise risk & compliance managers of each division/department, research laboratory/plant, and consolidated domestic subsidiary, all designated by the CRO.

Material matters, countermeasure plans, and other matters related to risk management and compliance promotion are discussed by the committee before being decided by the Board of Directors' resolution. As for the 14 categories of "the Group Major Risks" identified in fiscal year 2024, we have drawn up a three-year plan for risk countermeasures with fiscal year 2025 as its starting year and have been steadily implementing PDCA management practices.

#### (2) Status of initiatives for strengthening the function of Audit & Supervisory Board Members

For information on the strengthening of the function of Audit & Supervisory Board Members, please refer to the sections "Cooperation among Audit & Supervisory Board Members, Accounting Auditor, and Internal Audit Department," "Appointment of Outside Audit & Supervisory Board Members," and "Supporting System for Outside Directors and/or Audit & Supervisory Board Members" above.

#### (3) Overview of limited liability agreements

The Company entered into liability limitation agreements (as stipulated in paragraph 1, Article 427 of the Companies Act) with Directors, Mr. KATAOKA Kazunori, Ms. NAKAGAWA Miyuki, Ms. TAKEOKA Yuko, and Mr. HAMA Itsuo, and Audit & Supervisory Board Members, Messrs. KATAYAMA Noriyuki and TAKAHAMA Shigeru, and Ms. KINUGAWA Sachie, respectively. That agreement limits their liabilities under paragraph 1, Article 423 of the Companies Act to the minimum liability amount provided by law and regulation as far as they perform their duties in good faith without gross negligence.

#### (4) Overview of officers' liability insurance contracts

The Company entered into a contract of Directors and Officers Liability Insurance as stipulated in Article 430-3 (i) of the Companies Act with an insurance company. The insurance compensates damages under the law, legal costs, and other expenses incurred by the insured, including the Company's Directors and Audit & Supervisory Board Members.

### 3. Reasons for Adoption of Current Corporate Governance System

As a company with an Audit & Supervisory Board, we have adopted the current system to enhance management efficiency and soundness.

Audit work by Outside Audit & Supervisory Board Members (three members) ensures the satisfactory functioning of the objective and neutral monitoring of the company management.

The Company also appoints four Outside Directors who monitor and oversee management from an outside perspective and provide additional third-party knowledge to further enhance transparency, soundness, and objectivity in management.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	<ul style="list-style-type: none"> <li>To provide shareholders with ample time to consider the proposals, the Company has accelerated its sending of convocation notices and posted the convocation notice on its website (<a href="https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html">https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html</a>) on May 29, 2025, 28 days prior to the date of the 155th Ordinary General Shareholders Meeting (June 26, 2025).</li> </ul>
Scheduling General Meeting of Shareholders, Avoiding the Peak Day	<p>To promote constructive dialogue with shareholders, the Company avoids holding its General Meeting of Shareholders on the first peak day for general meetings of shareholders.</p> <p>The 155th Ordinary General Meeting of Shareholders was held on June 26, 2025.</p>
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company provides shareholders with an environment to exercise their voting rights over the Internet. This method of exercising voting rights and other information is provided in the convocation notice.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company participates in the Electronic Voting Rights Exercise Platform for institutional investors operated by ICJ Inc.
Providing Convocation Notice in English (Partly Translated)	<p>An English-language convocation notice (summary) is posted on the Company website (<a href="https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html">https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html</a>)</p>
Other matters	<ul style="list-style-type: none"> <li>For the convenience of shareholders, the Company posts a notice of resolutions, special report (voting results), and related materials on its website (<a href="https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html">https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html</a>).</li> <li>At the General Meeting of Shareholders, business reports and explanations of proposals are provided using video and audio to deepen shareholders' understanding.</li> </ul>

## 2. IR Activities (Updated)

	Supplementary Explanations	Explanations by the Representative in person
Preparation and Publication of Disclosure Policy	The content of the Company's disclosure policy is posted on the Company website ( <a href="https://www.nissanchem.co.jp/eng/ir_info/disclosure.html">https://www.nissanchem.co.jp/eng/ir_info/disclosure.html</a> ).	
Investor Briefings for Individual Investors	The Company held an investor briefing for individual investors, given by the CFO & Director in charge of the Finance & Accounting Department or the staff of the Sustainability Promotion & IR Department. The materials used in the briefing and the video are released on the Company website ( <a href="https://www.nissanchem.co.jp/ir_info/library/private_investors.html">https://www.nissanchem.co.jp/ir_info/library/private_investors.html</a> ).	None
Regular Investor Briefings for Analysts and Institutional Investors	As to the briefings on the business plans given by the President & COO, and the same (including telephone and video conferences) on each quarterly financial result given by the CFO & Director in charge of the Finance & Accounting Department, their materials, audio files, and their scripts, including Q&A sessions, are posted on the Company website ( <a href="https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html">https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html</a> ). In addition, in March 2023, the CFO & Director in charge of the Sustainability Promotion and IR Department held a briefing on ESG activities. The materials are posted on the Company website ( <a href="https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf">https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf</a> ).	Yes
Regular Investor Briefings for Overseas Investors	Every year, the CFO & Director in charge of the Finance & Accounting Department participates in conferences sponsored by securities companies in the United States, Europe, Asia, and other regions to provide explanations and exchange opinions directly with overseas investors. As to the briefings (including telephone and video conferences) on business plans, each quarterly financial result, the materials (in the Japanese and English versions), audio and videos (only the Japanese version), and their scripts, including Q&A sessions (in the Japanese and English versions), are posted on the Company website ( <a href="https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html">https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html</a> ).	No

	Supplementary Explanations
Posting of IR Materials on Website	<p>The following materials are posted on the Company website (<a href="https://www.nissanchem.co.jp/eng/ir_info/index.html">https://www.nissanchem.co.jp/eng/ir_info/index.html</a>).</p> <ul style="list-style-type: none"> <li>*Summary of financial results and explanatory material for results briefings</li> <li>*Material for business briefings (explanatory materials for ESG and each business segment)</li> <li>*Material for briefings for individual investors</li> <li>*Securities report, etc.</li> <li>* Integrated Report</li> <li>*Shareholder newsletter</li> <li>*General meetings of shareholders (Convocation notice, resolution notice, presentation materials, and extraordinary reports)</li> <li>*Long-term and mid-term business plans</li> <li>*Company introduction leaflet, etc.</li> </ul>
Establishment of Department and/or Manager in Charge of IR	<ul style="list-style-type: none"> <li>• To engage in constructive dialogue with shareholders and institutional investors, the Company has appointed a CFO and Director in charge of the Finance &amp; Accounting Department and established a department in charge of IR (Sustainability Promotion &amp; IR Department). In addition, we set up an inquiry contact regarding IR on the Company website. (<a href="https://secure.nissanchem.co.jp/eng/contact/form.cgi?jigyoubu_flg=15">https://secure.nissanchem.co.jp/eng/contact/form.cgi?jigyoubu_flg=15</a>)</li> <li>• The Company has a department in charge of IR (Sustainability Promotion &amp; IR Department), a department in charge of SR (Corporate Planning Department), and a department in charge of Public Relations (Corporate Planning Department) to cooperate and endeavor to provide timely disclosure and other information appropriately for promoting constructive dialogue with shareholders and institutional investors, and providing information necessary for investment decisions in a timely, fair, and equitable manner continuingly.</li> </ul>
Other matters	<ul style="list-style-type: none"> <li>• Opinions and concerns from shareholders and institutional investors gathered during dialogue with them are regularly reported to the Board of Directors, etc.</li> <li>• When having a dialogue with shareholders and institutional investors, the Company takes appropriate measures under its internal rules (such as the Insider Trading Management Rules).</li> <li>• The Company regularly conducts a shareholder identification survey to grasp its shareholder ownership structure and analyze the outcome of their exercising voting rights. The Company utilizes such information in subsequent dialogues with shareholders and institutional investors.</li> </ul>

### 3. Measures to Ensure Due Respect for Stakeholders (Updated)

	Supplementary Explanations
Internal Rules, etc. Stipulated for Respecting the Position of Stakeholders	<p>Defining the stakeholders as “customers, shareholders/investors, employees, communities/society, and business partners,” the Company sets the Course of Action below to respond to the expectations of all stakeholders and strengthen their confidence in us.</p> <ol style="list-style-type: none"> <li>1. Conduct sensible business activities as a member of the international community in compliance with laws and regulations.</li> <li>2. Enhance corporate value by providing safe and useful products and services.</li> <li>3. Strive proactively to eliminate accidents and disasters and protect the global environment.</li> <li>4. Disclose information appropriately with a focus on dialogue with stakeholders.</li> <li>5. Improve health and create a cheerful and pleasant place to work by respecting the individuality and personality of employees.</li> <li>6. Conduct itself as a good corporate citizen and a respected member of society.</li> </ol>

<p>Implementation of Environmental Activities, Sustainability Activities, etc.</p>	<p>As its fundamental policy for business activities, the Company declares its Corporate Philosophy, “We offer the value sought by society and contribute to the protection of the global environment and the continued existence and development of humanity.” We believe that putting this philosophy into practice can be a sustainability activity. The Sustainability Promotion Committee, the Climate Change Committee, the Risk Management &amp; Compliance Committee, the Environment &amp; Safety Committee, and the Quality Assurance Committee cooperate to promote and enhance sustainability activities.</p> <p>&lt;Sustainability activities&gt;</p> <p>Setting out the “Responsible Care Basic Policies,” the Company strives to secure and continuously improve the environment, health, and safety (EHS) performance throughout the process, from developing chemical substances to disposal. In addition, under the established “Nissan Chemical Biodiversity Action Guidelines,” we are strengthening our environmental activities. In fiscal year 2020, the Company publicly declared support for the TCFD (Task Force on Climate-related Financial Disclosure). It sets its target to “reduce more than 30% of greenhouse gas emissions by fiscal year 2027 compared to fiscal year 2018” in the medium-term business plan “Vista 2027” starting in fiscal year 2022.</p> <p>Also, since fiscal year 2018, the Company has supported ten principles in the four fields of human rights, labor, the environment, and anti-corruption, which are advocated by the United Nations Global Compact (UNGC). To clarify its stance, we formulated the “Human Rights Policy,” including labor, and the “Anti-Corruption Policy” in fiscal year 2019. Further, as a part of the corporate human rights due diligence process, we listed the Group risks associated with its key business fields and identified priority risks related to human rights to address. As the people’s consciousness of human rights has become diversified and complicated recently, in January 2023, we revised the “Human Rights Policy” based on outside experts’ opinions to further clarify the Company’s initiatives on respecting human rights.</p> <p>Moreover, the Company sets the “Policy on Social Contribution” to proactively participate in society and contribute to its sound and sustainable development.</p> <p>The details of the Company’s environmental and sustainability activities are described in the Integrated Report and other company reports, also posted on the Company website: (<a href="https://www.nissanchem.co.jp/eng/csr_info/index.html">https://www.nissanchem.co.jp/eng/csr_info/index.html</a>)</p>
<p>Formulation of Policies on Information Provision to Stakeholders</p>	<p>The Company places value on dialogue with stakeholders and discloses information appropriately according to its Course of Action and Disclosure Policy.</p>



<p>Other matters</p>	<p>The Company has established the “Basic Health Policy” to maintain and advance the health of its employees based on the belief that their health is a “foundation that supports sound corporate growth.” We have also formulated a Health and Productivity Management Strategy Map to visualize the interrelation among our Basic Health Policy, health and productivity management goals, and related measures. We are aiming to take a more strategic approach to health and productivity management by gauging the progress and effectiveness of our initiatives and applying the PDCA cycle. The “Basic Health Policy” and “Health and Productivity Management Strategy Map” are posted on the Company website. (<a href="https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html">https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html</a>).</p> <p>In recognition of our efforts to promote employees’ health, the Company has been certified as a “Certified Health and Productivity Management Organization (the White 500)” for nine consecutive years since 2017.</p> <p>To keep the work-life balance for employees, we are taking various measures, such as reducing overtime work, encouraging employees to take annual leave, and introducing the annual paid leave by the hour and shorter working hours exceeding the statutory requirements. In addition, we are taking measures to prevent harassment in the workplace, for example, offering training sessions to all our management personnel.</p>
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## **IV. Matters Related to the Internal Control System**

### **1. Basic Views on Internal Control System and Progress of System Development**

(1) Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors and employees of the Company and its subsidiaries

- The Company expedites management decision-making and clarifies management responsibility and business execution responsibility under the “Board of Directors Rules” and other relevant company rules (those for company operations). At the same time, the Company strengthens its management monitoring function, risk management system, compliance system, and internal control system under the Board of Directors and the Audit & Supervisory Board, including highly independent Outside Officers.

- Under the “Course of Action,” the Company establishes various expert committees that cooperate to facilitate the necessary actions to ensure the existence and sound development of the Company and to resolve many issues related to business operations.

- We formulate rules for compliance for the Company and its subsidiaries. Under these rules, we ensure that all the Group’s officers and employees comply with relevant laws, regulations, and company rules regarding their business activities and conform to social norms in conducting the activities.

- The Chief Risk Management Officer (CRO) appointed by the Board of Directors supervises the general compliance of the Company and its subsidiaries.

- We establish a whistle-blowing system to receive reports on actual or a threat of violation of laws or regulations once identified.

- We shall not have any involvement with anti-social forces. If the Company or any of its subsidiaries receives an inappropriate request, we will work closely with specialized external institutions and respond to it resolutely.

- The head of an internal audit department draws up an audit plan and reports it to the Board of Directors after the approval of the Management Meeting, and also reports the progress of the auditing activities to the Management Meeting and the Board of Directors regularly.

- An internal audit department audits the risk management, internal governance, and the processes taken by the Company and its subsidiaries, and evaluates their effectiveness.

(2) Systems for storing and managing information related to the execution of duties by Directors

- The Company stores and manages documents and other information related to the execution of duties by Directors in accordance with the rules for information management and other relevant internal rules.

- The Director in charge of a corporate planning department is appointed as the Chief Information Officer (CIO), who supervises information management and overall protection of personal information, specified personal information, and other information.

(3) Rules and other systems related to managing the risk of losses to the Company and its subsidiaries

- We formulate rules for risk management for the Company and its subsidiaries. Under these rules, we strive to prevent the materialization of risks that could impede the achievement of business objectives and minimize the impact when such a risk does materialize.

- The CRO appointed by the Board of Directors supervises the general risk management of the Company and its subsidiaries.

- An internal audit department audits the status of risk management by the subsidiaries.

- We establish guidelines for the Group’s risk management. In a crisis or emergency, we will tackle that situation to prevent the spread of damage and impacts and seek to resume our business activities as soon as practicable or continue business operations under the CRO’s direction.

- In the guidelines for the Group’s business continuity, we outline the key points for formulating a Business Continuity Plan (BCP).

- We formulate rules for responsible care within the Company and its subsidiaries, ensuring and improving environmental conservation, security, disaster prevention, occupational safety and health, chemical and product safety, and logistic safety in all business activities.

(4) Systems for ensuring the efficient execution of duties by directors of the Company and its subsidiaries

- The Company introduces a system of executive officers to clarify the management decision-making and oversight function, as well as the execution function, thereby strengthening both functions and enhancing its capability to develop and implement management strategies.
- Important management-related matters are decided by the Board of Directors and the Management Meeting under the “Board of Directors Rules,” the “Management Meeting Rules,” and other internal rules.
- Executive Officers execute their duties based on decisions by the Board of Directors and the Management Meeting.
- The Board of Directors oversees the execution of duties by Directors and Executive Officers, including the state of progress of matters or activities determined by its resolution. By appointing Outside Directors, the Company strengthens the oversight function of the Board of Directors.
- Rules for the management of the Company’s affiliate companies stipulate general principles in managing its subsidiaries to enhance management soundness as a corporate group.
- An internal audit department audits the effectiveness of the subsidiaries’ execution of operations.

(5) Systems for ensuring the appropriate operations of the corporate group comprising the Company and its subsidiaries

- Under the rules for the management of the Company’s affiliate companies and other related internal rules, each subsidiary reports to the Company on its execution of business. Respecting the management independence of its subsidiaries, the Company provides advice and instructions as necessary to contribute to their sound performance of business activities.
- The Company’s Directors, Executive Officers, Associate Executive Officers, or employees may serve concurrently as directors or corporate auditors of its subsidiaries to oversee and audit them.
- The Company requires its subsidiaries to comply with the Company’s internal control system, and an internal audit department performs audits.

(6) Items related to the employees and items related to the independence of the employees from Directors in the event that Audit & Supervisory Board Members request that employees be provided to assist them in their duties

- At the request of the Audit & Supervisory Board Member, the Company assigns an employee who assists with their duties. When assisting the Audit & Supervisory Board Members in their duties, that employee shall not receive instructions or directions from Directors or superiors. Also, to ensure their independence from Directors and superiors, determining the appointment or reassignment of an employee as an assistant to Audit & Supervisory Board Members requires prior approval from the Audit & Supervisory Board.

(7) Systems for reporting to Audit & Supervisory Board Members by directors and employees of the Company and its subsidiaries, and other systems for reporting to the Audit & Supervisory Board Members

- The Audit & Supervisory Board Members may attend meetings of the Board of Directors, any expert committees, and other important meetings.
- Directors, Executive Officers, Associate Executive Officers, and employees of the Company and its subsidiaries report to the Audit & Supervisory Board Members on material matters from the outcomes of business execution based on decisions made by the Board of Directors, the Management Meeting, and other meetings. If they find a fact that violates important laws or regulations or is likely to cause substantial harm to the Company, they shall promptly report matters regarding that fact to the Audit & Supervisory Board Members.
- The Company and its subsidiaries set up and maintain a structure necessary to prevent any person who made a report above from suffering any disadvantageous treatment for the reason of making the report.

(8) Other systems for ensuring effective audits by Audit & Supervisory Board Members

- To ensure the effectiveness of their audits, the Audit & Supervisory Board Members regularly exchange opinions with the Accounting Auditor, Directors, the internal audit department, the audit & supervisory board members of the Company’s subsidiaries, and other parties concerned.

- When the Audit & Supervisory Board Members request the Company to make any advance or reimbursement payment or to deal with expenses or liabilities required to perform their duties, the Company shall be responsible for such payment and expenses.

## **2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts**

In the “Course of Action,” the Company outlines its compliance with laws and regulations, as well as respect for social norms. Also, in the “Compliance Manual” compiled to maintain, enhance, and promote compliance (the content of which has already been communicated to the directors and employees of the Company and its subsidiaries), we declare our firm stance against anti-social forces and our determination not to have any contact with them.

To eliminate any involvement in anti-social forces in day-to-day business operations, the Company has a general affairs department responsible for addressing them in cooperation with specialized outside institutions. The department plays a central role in the Company’s efforts to gather and manage related information to establish and improve the structure on this issue.

## V. Other Matters

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
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#### Supplementary Explanation on Relevant Items

The Company has not adopted anti-takeover measures. In the case of an attempt to make a large-scale purchase of the Company's shares, we will strive to secure the necessary information and time for shareholders to consider, while disclosing the opinions of the Company's Board of Directors and taking appropriate measures under related laws and regulations. From now on, the Company will make efforts to secure and increase its corporate value and the common benefit of shareholders.

### 2. Other Matters Concerning Corporate Governance System

The Company's "Course of Action" declares it will prioritize dialogue with shareholders and disclose corporate information appropriately. The responsible person for handling information, the Head of the Corporate Planning Department, takes charge of the timely disclosure of material facts and other corporate information specified by the Tokyo Stock Exchange and handles the information requiring a timely disclosure as below, under its internal rules (such as the Insider Trading Management Rules).

- Corporate decisions and account settlement information

Corporate decisions ("*kettei-jijitsu*") and account settlement information are approved by the Board of Directors or the Management Meeting. The Corporate Planning Department serves as the secretariat for both bodies; thus, its Head is in a position to grasp such information accurately at an early stage. After approval of corporate decisions and account settlement information, the Head of the Corporate Planning Department will disclose the corporation's information without delay.

- Matters that occurred and information on the subsidiaries

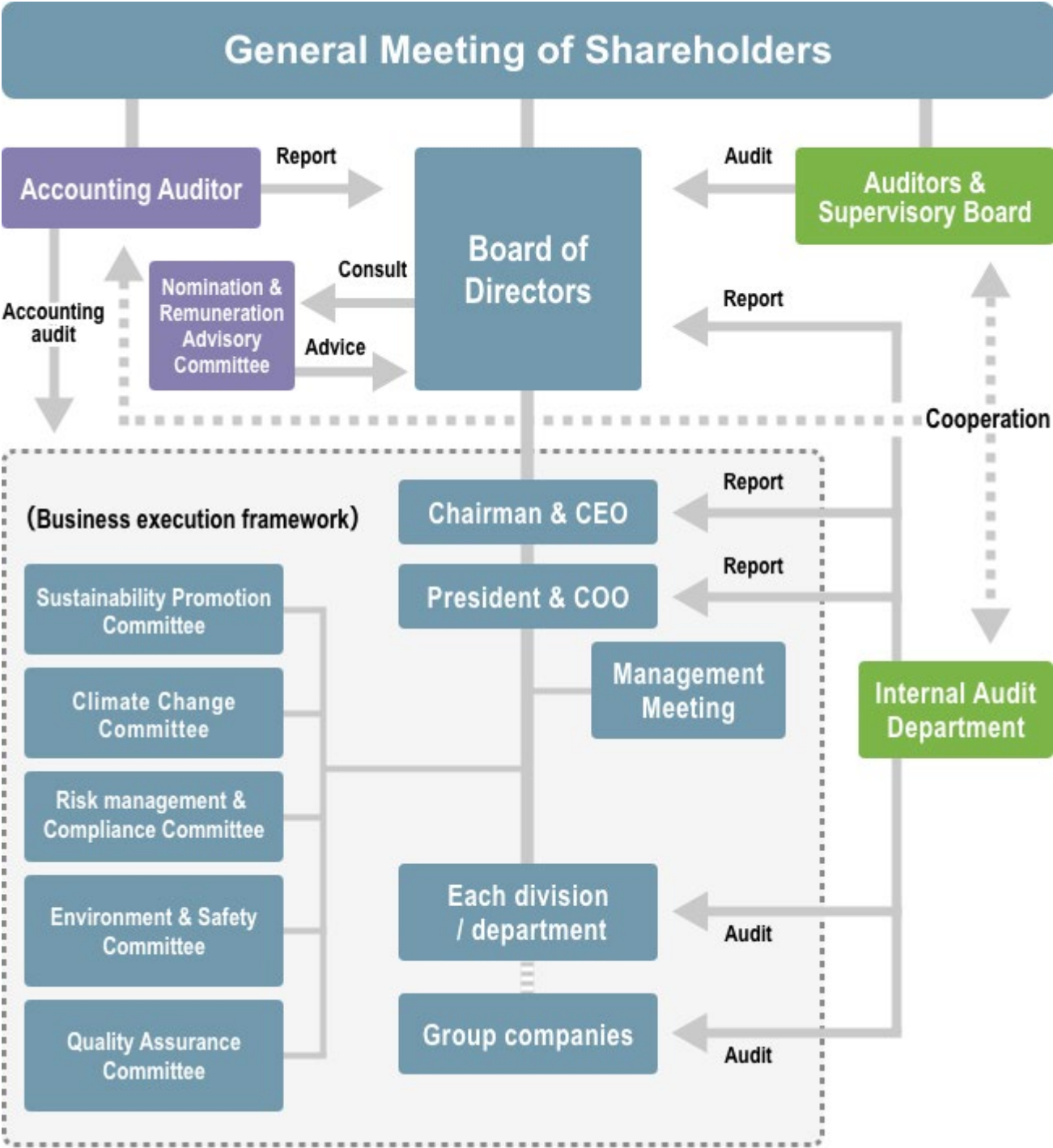
Matters that occurred ("*hassei-jijitsu*") related to the Company, corporate decisions, matters that occurred, and account settlement information related to the subsidiaries are reported promptly to the Head of the Corporate Planning Department from the heads of the Company's relevant divisions/departments and subsidiaries.

If the Head of the Corporate Planning Department determines that the gathered corporate information is required to be disclosed under the Tokyo Stock Exchange's timely disclosure regulations and other guidelines, the Head will disclose it without delay while reporting the same to the President & COO and related officers.

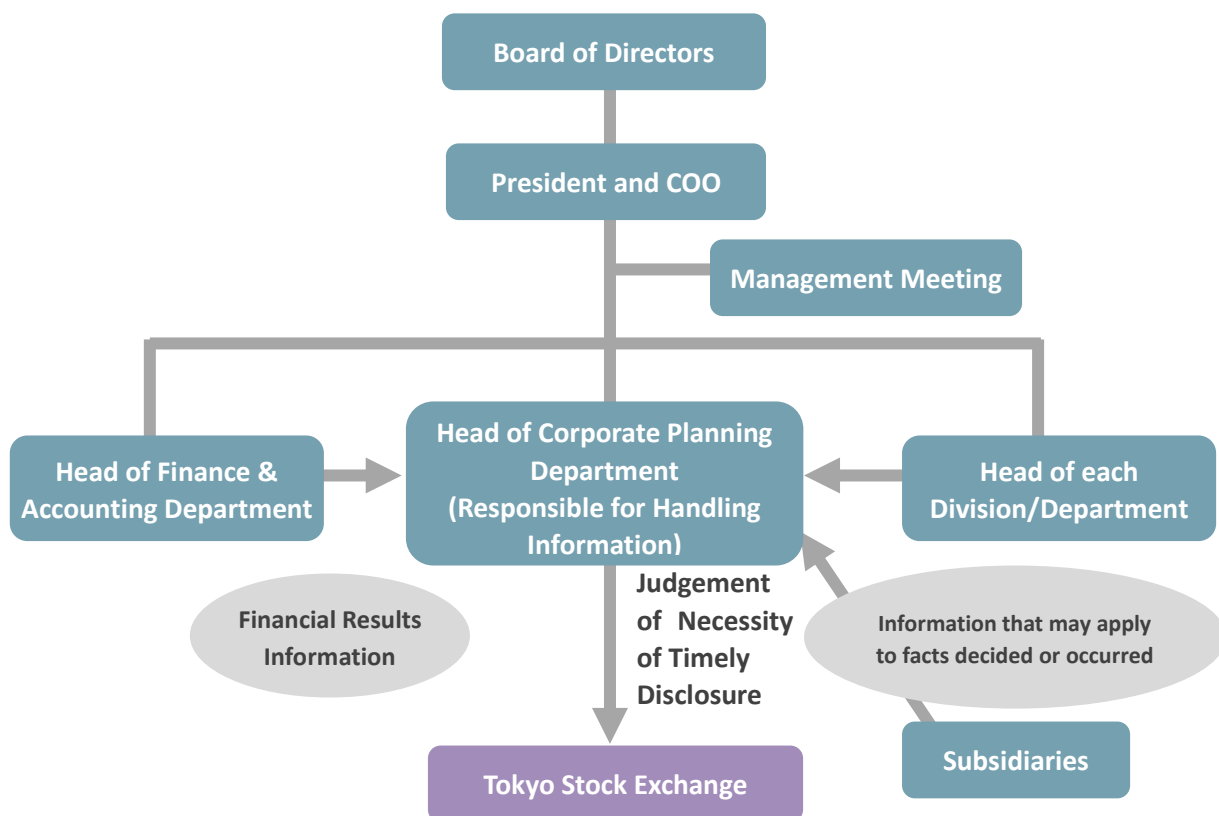
The Company's disclosure policy is posted on the Company website

([https://www.nissanchem.co.jp/eng/ir\\_info/disclosure.html](https://www.nissanchem.co.jp/eng/ir_info/disclosure.html)).

Relationships between the Company's corporate organizations and internal control, etc.



The Company's systems related to the timely disclosure of corporate information



Skills Matrix for the Company's Board of Directors

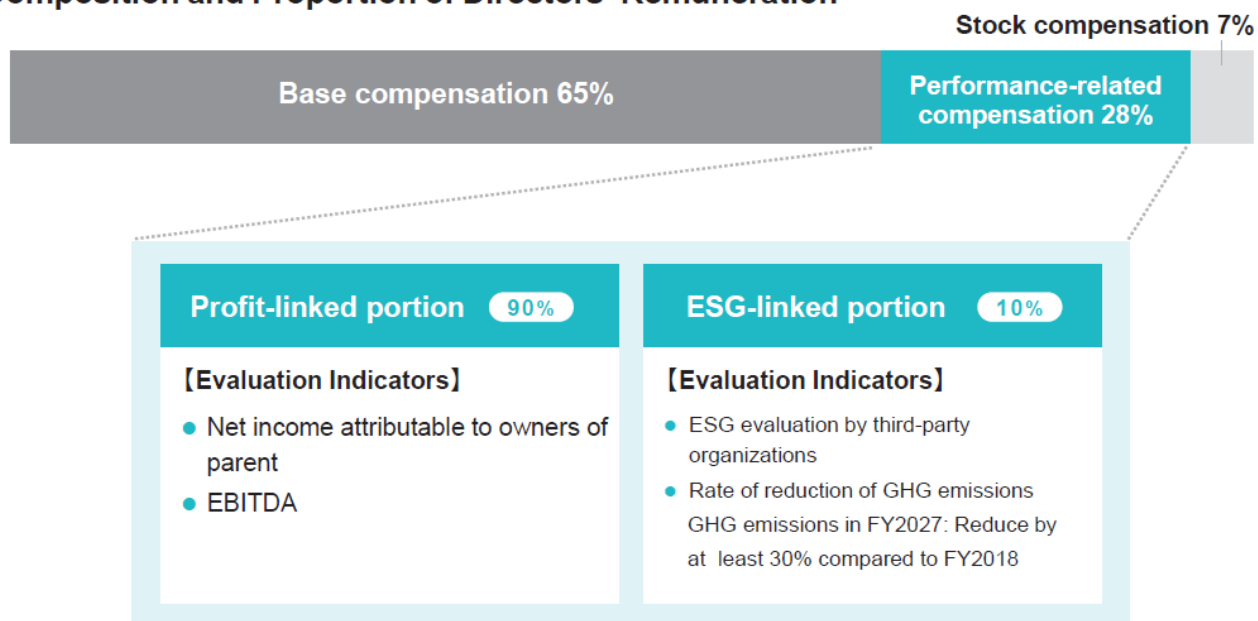
Director	The expertise and experience required for the Company's Directors					
	Corporate Management	R&D/Technologies (*1)	Finance & Accounting	Legal/Risk Management/Internal Control	Personnel Affairs/Personnel Strategies	Global Experience
KINOSHITA Kojiro	●		●	●	●	
YAGI Shinsuke	●	●		●	●	●
DAIMON Hideki	●		●	●		●
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



## Composition and Proportion of Directors' Remuneration



\* The proportion of composition of Directors' remuneration varies depending on the Company's performance.