



FYE March 2023

Earnings Conference

May 25, 2023



I . Global Agrochemical Markets

II . FYE March 2023 Earnings

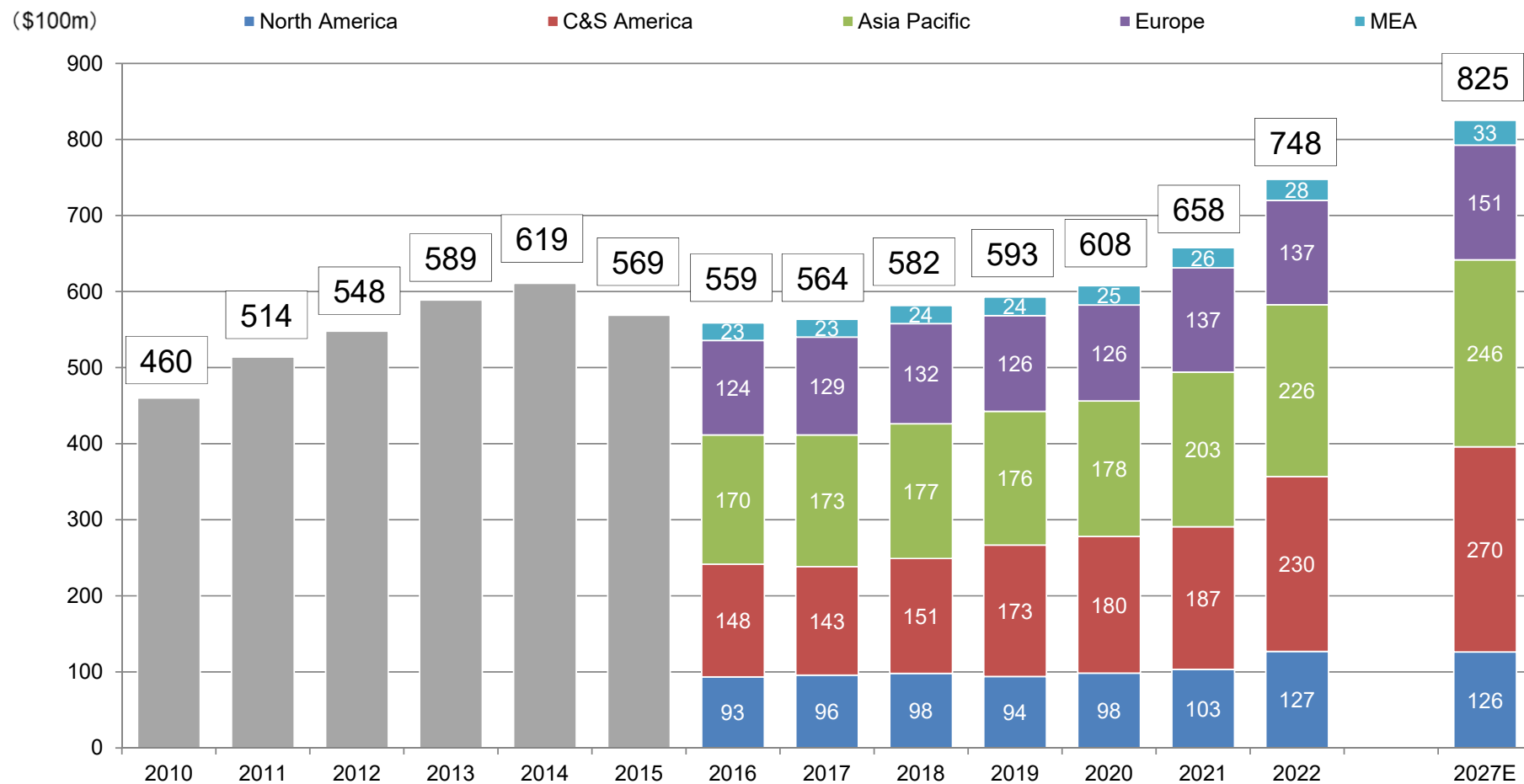
III . FYE March 2024 Full Year Earnings Forecast

IV . Status of Mid-term Management Plan Initiatives

V . Q&A

I . Global Agrochemical Markets

Global Agrochemical Markets



Source) Agbio Investor

Global Agrochemical Markets

North America

Market increased overall thanks to increased crop land for soybeans and cotton despite drought and other unseasonable weather in some regions

Latin America

Market grew due to numerous pest outbreaks caused by high-temperature, high-humidity weather in Brazil

Europe

Overall market contraction due to unseasonable weather, including high temperatures and drought in the summer

Asia

Agrochemical demand increased in the Southeast Asia region, etc. where they saw stable weather

Japan

Agrochemical demand was slightly weak due to heavy rains and unseasonable weather in certain regions

II . FYE March 2023 Earnings

The figures for the FYE March 2022, including results, year-on-year comparisons, and growth rates, are retroactively applied due to a change in accounting policy.

FYE March 2023 Earnings

(¥100m/ %)

	FYE Mar 2023 Results	FYE Mar 2022 Results	YoY	Growth %
Net Sales	1,020	801	219	27.4
Domestic Agrochemical Sales	221	198	23	11.5
Overseas Agrochemical Sales	726	532	194	36.5
Other agrochemicals	18	20	-2	-8.7
Chemical Products excluding agrochemicals	37	34	3	8.7
Other	17	16	1	7.8
Cost of Sales	715	556	158	28.5
Gross Profit	305	244	61	25.1
SG&A	218	186	31	16.9
Operating Income	87	57	30	51.6
Ordinary Income	77	56	21	37.3
Profit Attributable to Owners of Parent	44	44	0	1.9

Net sales **¥80.1 bn → ¥102.0 bn (+¥21.9 bn)**

Operating income **¥5.7 bn → ¥8.7 bn (+¥3.0 bn)**

Expansion of overseas business **+¥2.1 bn**

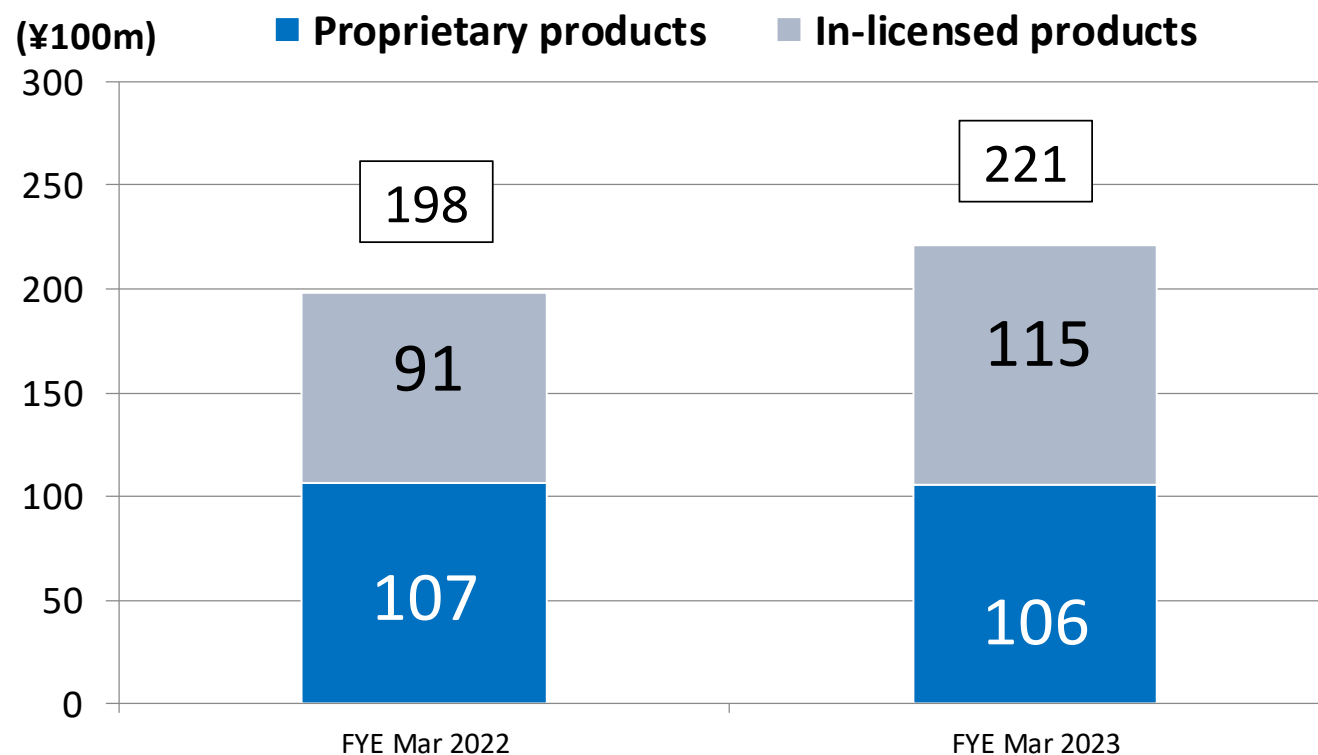
Profit increase due to yen depreciation **+¥2.1 bn**

Increase in domestic agrochemical sales **+¥0.7 bn**

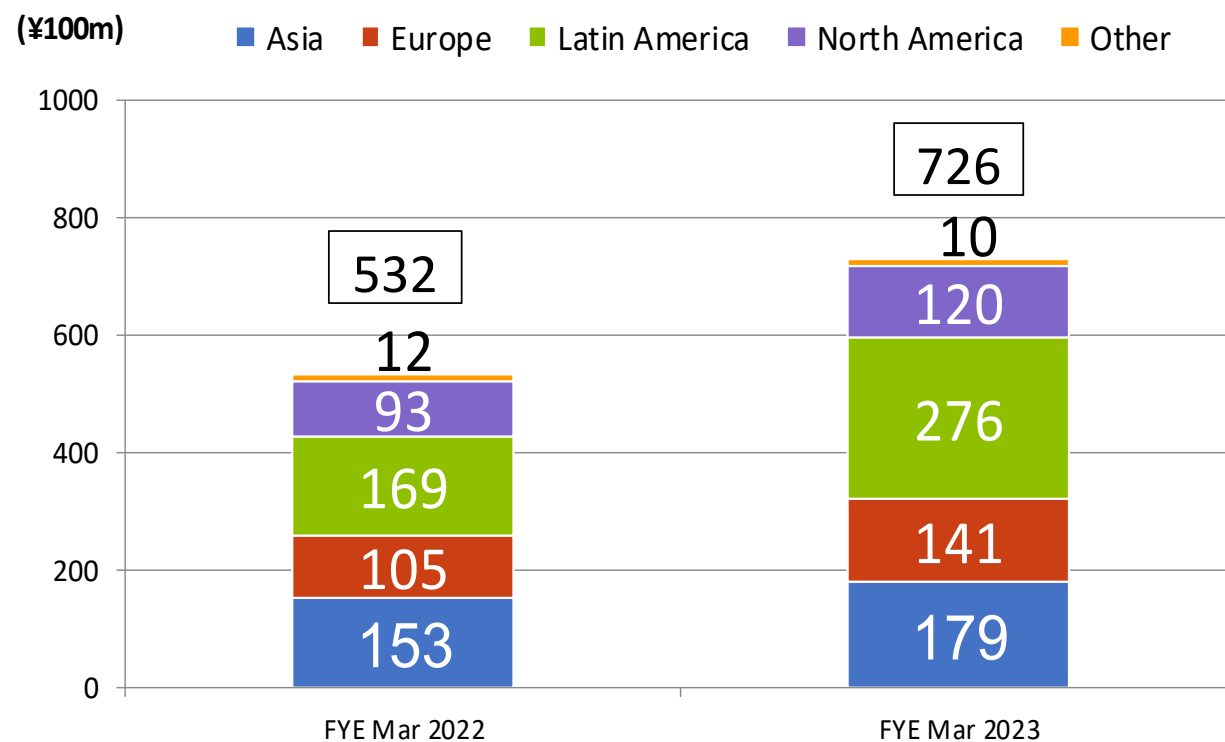
SG&A expenses increase **-¥1.7 bn**

Decrease in know-how technical fees **-¥0.2 bn**

Revenues increased on full-year contributions from Corteva product sales



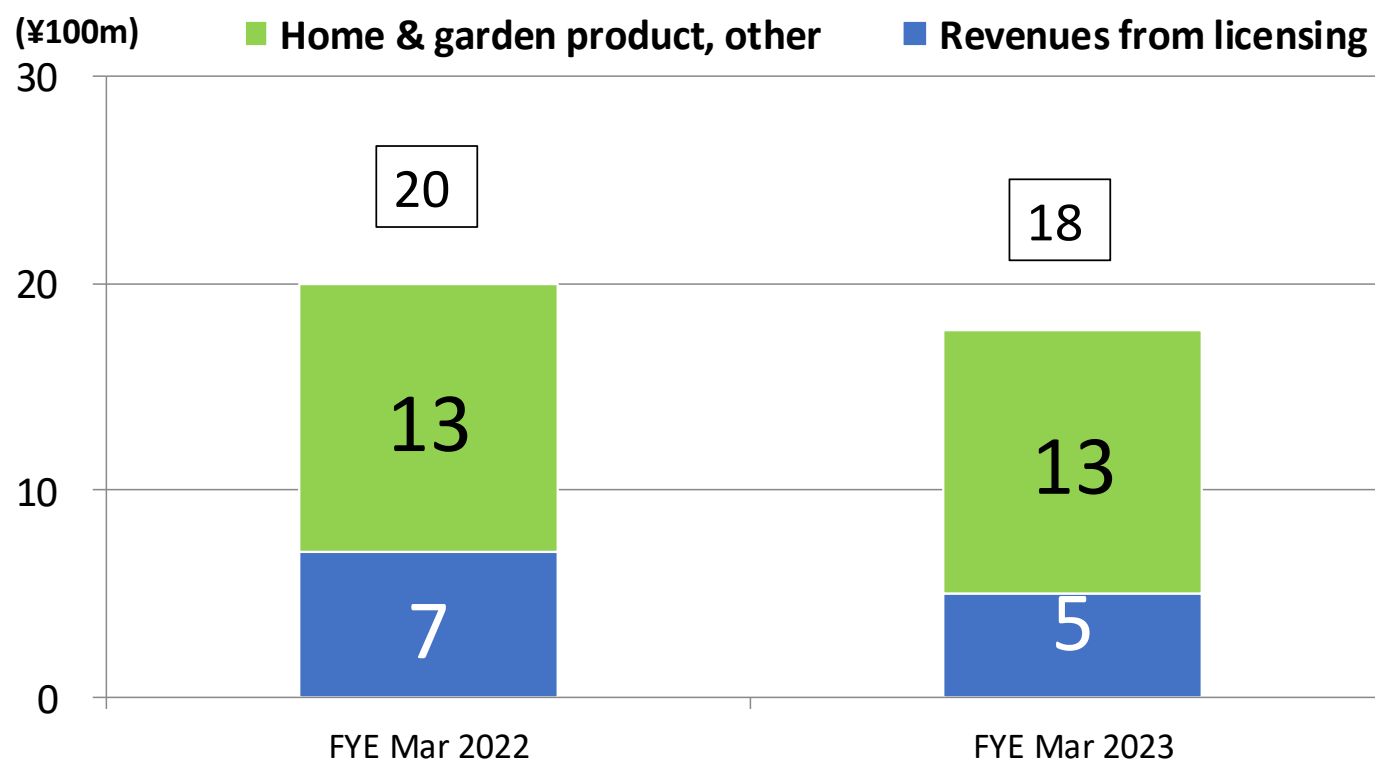
Sales growth in Latin America and other regions



Mar. 2022 Actual foreign currency rates: 110.72 yen/dollar
130.27 yen/euro

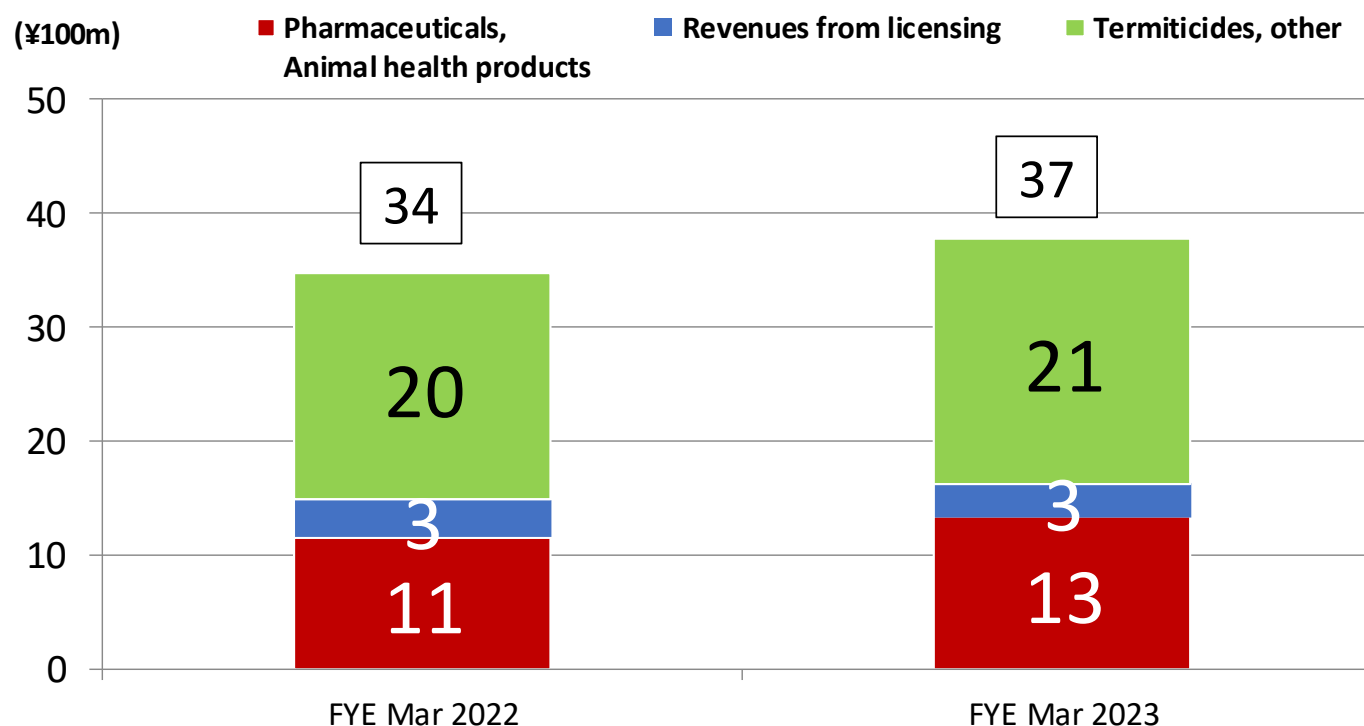
Mar. 2023 Actual foreign currency rates: 131.30 yen/dollar
138.96 yen/euro

Decrease in know-how technical fees



Chemical Products (Non-agrochemical products)

Increased sales of pharmaceuticals, termiticides, other



Major Earnings of Domestic Group Companies

(¥m/%)

		FYE Mar 2023 Results	FYE Mar 2022 Results	YoY	Growth %
Nihon Nohyaku	Net sales	52,755	47,151	5,604	11.9
	Operating Income	4,036	3,377	658	19.5
	Net profit	4,137	3,557	579	16.3
Nichino Service	Net sales	4,419	4,353	65	1.5
	Operating Income	230	193	36	19.0
	Net profit	145	131	14	11.1
Nichino Ryokka	Net sales	1,911	1,783	128	7.2
	Operating Income	46	50	-4	-8.6
	Net profit	29	32	-2	-8.4
Nihon Ecotech	Net sales	871	830	41	5.0
	Operating Income	31	30	1	4.2
	Net profit	28	23	5	22.1
AgriMart	Net sales	2,221	2,110	110	5.2
	Operating Income	237	226	11	5.0
	Net profit	153	145	8	5.5

Major Earnings of Overseas Group

(¥m/%)

		FYE Mar 2023 Results	FYE Mar 2022 Results	YoY	Growth %	Net sales Currency conversion rate (¥)	
Nichino America	Net sales	12,034	9,333	2,700	28.9	US dollar	
	Operating Income	1,253	1,015	237	23.4	2022.3 Actual	112.27
	Net profit	953	791	162	20.5	2023.3 Actual	134.89
Taiwan Nihon Nohyaku	Net sales	532	516	16	3.1	Taiwan dollar	
	Operating Income	49	68	-18	-27.5	2022.3 Actual	4.02
	Net profit	43	55	-11	-21.1	2023.3 Actual	4.45
Nichino India	Net sales	12,406	10,264	2,142	20.9	Indian rupee	
	Operating Income	279	235	43	18.4	2022.3 Actual	1.52
	Net profit	82	463	-380	-82.2	2023.3 Actual	1.69
Sipcam Nichino Brasil	Net sales	25,639	15,865	9,773	61.6	Brazilian real	
	Operating Income	3,106	1,120	1,985	177.2	2022.3 Actual	20.55
	Net profit	1,184	293	891	304.0	2023.3 Actual	26.03
Nichino Europe	Net sales	6,782	5,409	1,373	25.4	British pound	
	Operating Income	586	352	233	66.0	2022.3 Actual	154.13
	Net profit	456	301	154	51.4	2023.3 Actual	162.86

III. FYE March 2024 Full Year Earnings Forecast

FYE March 2024 Earnings Forecast

(¥100m/ %)

	FYE Mar 2024 Plan	FYE Mar 2023 Results	YoY	Growth %
Net Sales	1,040	1,020	19	1.9
Domestic Agrochemical Sales	233	221	12	5.4
Overseas Agrochemical Sales	734	726	7	1.0
Other agrochemicals	18	17	0	0.7
Chemical Products excluding agrochemicals	38	37	0	0.9
Other	17	17	-0	-4.0
Cost of Sales	729	715	13	1.9
Gross Profit	311	305	5	1.8
SG&A	228	218	9	4.6
Operating Income	83	87	-4	-5.0
Ordinary Income	75	77	-2	-3.6

Net sales ¥102.0 bn → ¥104.0 bn (+¥1.9 bn)

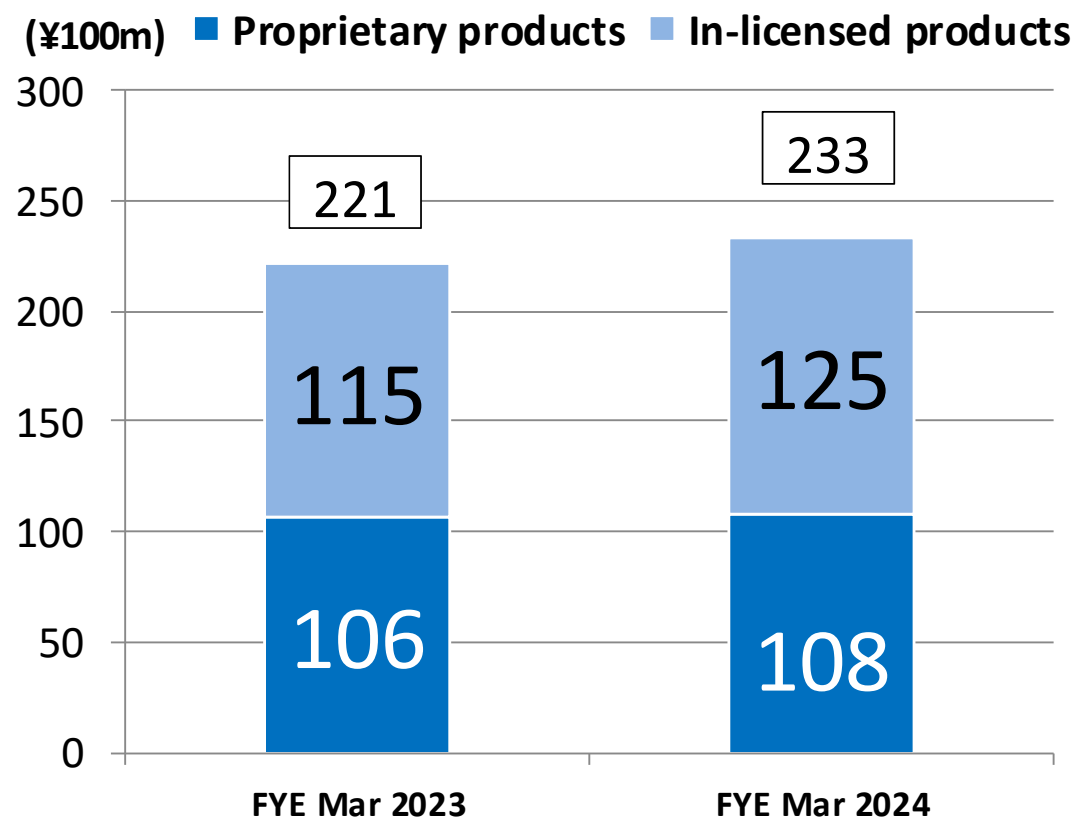
Operating income ¥8.7 bn → ¥8.3 bn (-¥0.4 bn)

Expansion of overseas business	+¥0.4 bn
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Profit increase in domestic agrochemical business +¥0.1 bn

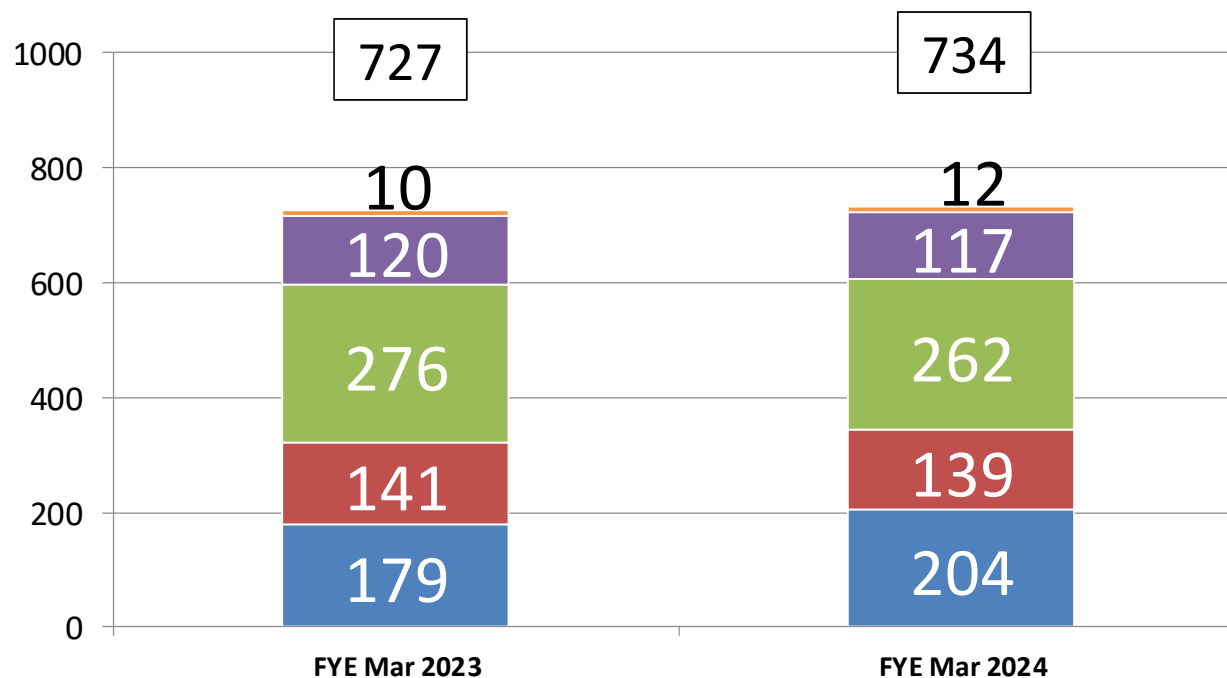
SG&A expenses increase **-¥0.9 bn**

Sales growth from increased sales of Corteva products



Increased sales in Asia region

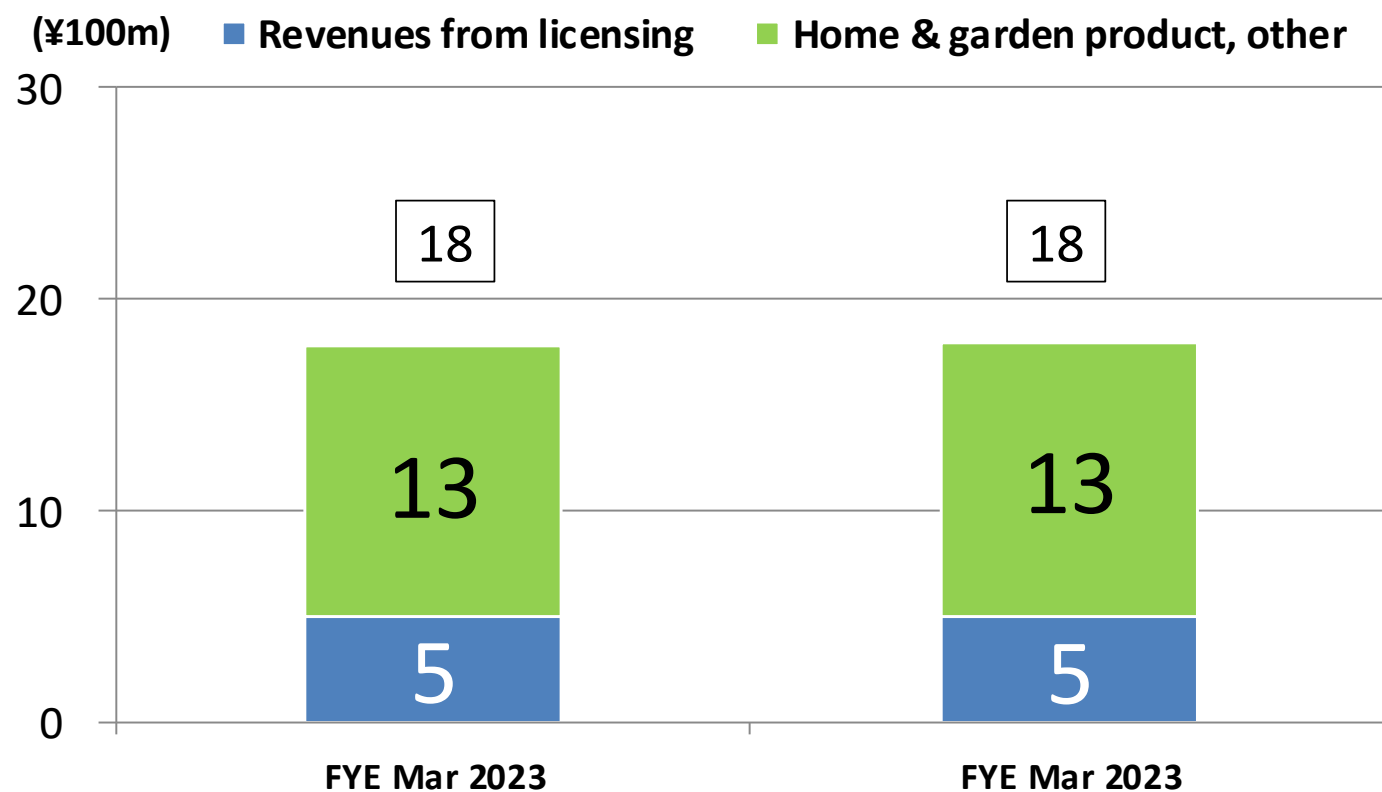
(¥100m) ■ Asia ■ Europe ■ Latin America ■ North America ■ Other



Mar 2023 Actual foreign currency rates: 131.30 yen/dollar
138.96 yen/euro

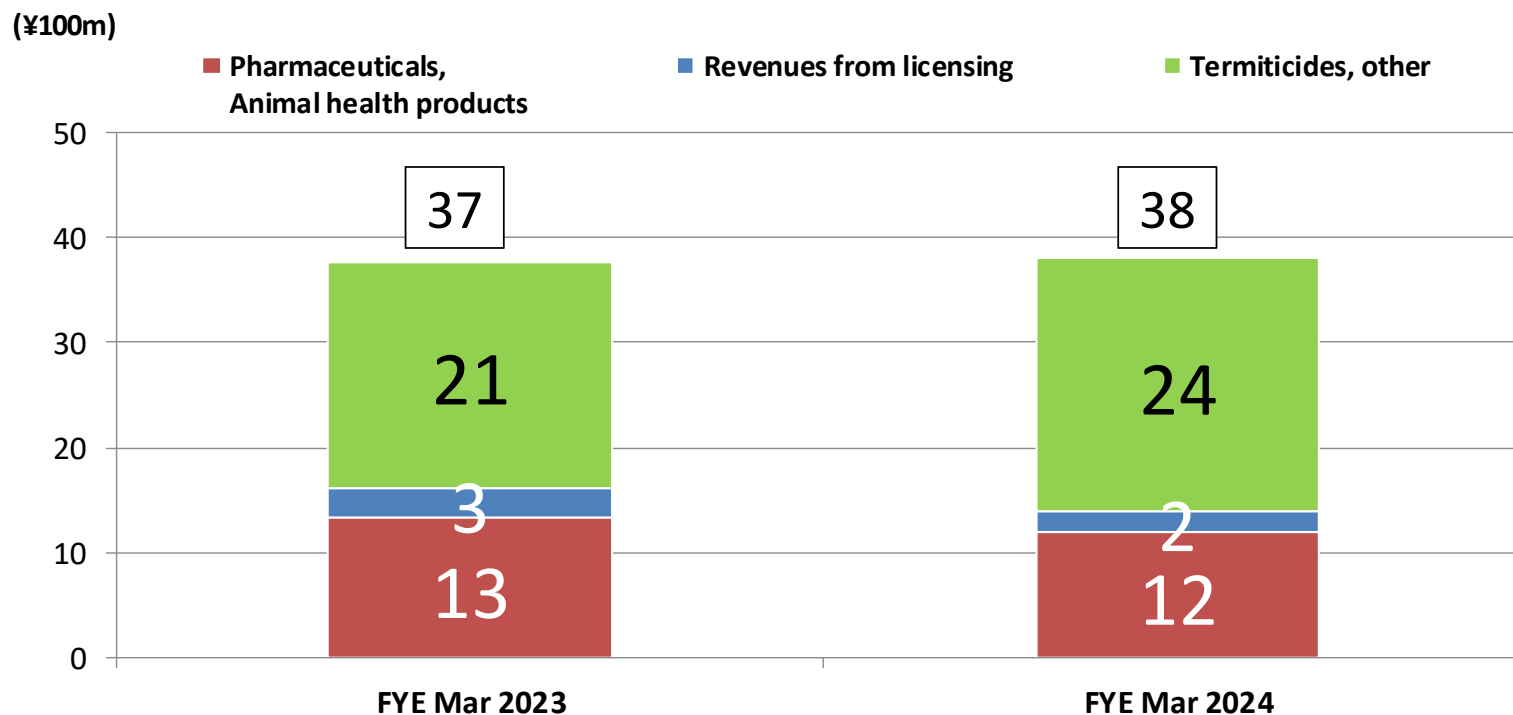
Mar 2024 Planned foreign currency rates: 130 yen/dollar
135 yen/euro

Largely Unchanged



Chemical Products (Non-agrochemical products)

Increased sales of termiticides, other



Main Plans of Domestic Group Companies

(¥m/%)

		FYE Mar 2024	FYE Mar 2023		
		Plan	Results	YoY	Growth %
Nihon Nohyaku	Net sales	54,949	52,755	2,194	4.2
	Operating income	3,296	4,036	-739	-18.3
	Net profit	3,210	4,137	-927	-22.4
Nichino Service	Net sales	4,543	4,419	124	2.8
	Operating income	222	230	-7	-3.4
	Net profit	156	145	10	7.2
Nichino Ryokka	Net sales	1,925	1,911	14	0.7
	Operating income	13	46	-32	-70.2
	Net profit	4	29	-25	-86.0
Nihon Ecotech	Net sales	860	871	-11	-1.4
	Operating income	34	31	3	11.5
	Net profit	24	28	-3	-13.6
AgriMart	Net sales	2,430	2,221	208	9.4
	Operating income	229	237	-8	-3.5
	Net profit	146	153	-6	-4.3

Main Plans of Domestic Group Companies

(¥m/%)

		FYE Mar 2024	FYE Mar 2023			Net sales	
		Plan	Results	YoY	Growth %	Current conversion rate (¥)	
Nichino America	Net sales	11,695	12,034	-339	-2.8	US dollar	
	Operating income	1,092	1,253	-161	-12.9	2023.3 Actual	134.89
	Net profit	591	953	-361	-38.0	2024.3 Planned	130.00
Taiwan Nihon Nohyaku	Net sales	491	532	-41	-7.7	Taiwan dollar	
	Operating income	45	49	-3	-7.9	2023.3 Actual	4.45
	Net profit	38	43	-5	-11.4	2024.3 Planned	4.00
Nichino India	Net sales	14,244	12,406	1,837	14.8	India rupee	
	Operating income	413	279	134	48.2	2023.3 Actual	1.69
	Net profit	124	82	42	51.6	2024.3 Planned	1.60
Sipcam Nichino Brasil	Net sales	24,475	25,639	-1,163	-4.5	Brazilian real	
	Operating income	2,641	3,106	-464	-15.0	2023.3 Actual	26.03
	Net profit	1,111	1,184	-72	-6.1	2024.3 Planned	25.00
Nichino Europe	Net sales	7,064	6,782	282	4.2	British pound	
	Operating income	570	586	-15	-2.6	2023.3 Actual	162.86
	Net profit	471	456	14	3.2	2024.3 Planned	160.00

Main Plans of Domestic Group Companies

(based on local currency)

		FYE Mar 2024 Plan	FYE Mar 2023 Results	YoY	Growth %
Nichino America (unit: 1k USD, %)	Net sales	89,966	89,216	749	0.8
	Operating income	8,401	9,460	-1,058	-11.2
	Net profit	4,549	7,254	-2,704	-37.3
Taiwan Nihon Nohyaku (unit: 1k TWD, %)	Net sales	122,959	119,618	3,341	2.8
	Operating income	11,462	11,023	439	4.0
	Net profit	9,730	9,752	-22	-0.2
Nichino India (unit: 1k rupee, %)	Net sales	8,902,844	7,348,896	1,553,947	21.1
	Operating income	258,742	175,211	83,530	47.7
	Net profit	78,003	57,479	20,523	35.7
Sipcam Nichino Brasil (unit: 1k real, %)	Net sales	979,031	984,989	-5,958	-0.6
	Operating income	105,664	118,010	-12,345	-10.5
	Net profit	44,471	44,773	- 302	-0.7
Nichino Europe (unit: 1k pounds, %)	Net sales	44,155	41,642	2,512	6.0
	Operating income	3,567	3,601	-34	-1.0
	Net profit	2,944	2,808	136	4.8

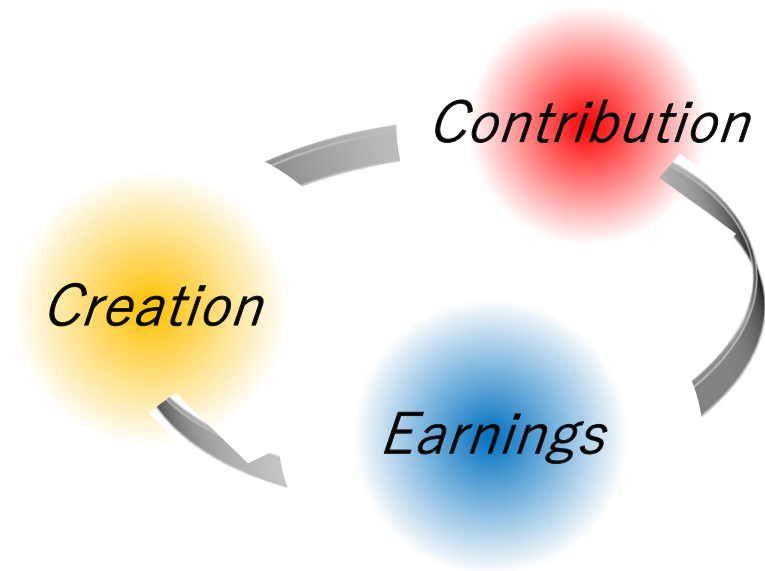
Plan to increase dividends by ¥2

			20.3	21.3	22.3	23.3	24.3E
Profit attributable to owners of parent		Million yen	1,477	4,344	4,405	4,488	4,700
Total dividends		Million yen	315	1,181	1,181	1,260	1,417
Dividends per share	Interim	Yen	—	7.5	7.5	8.0	9.0
	Year-end	Yen	4.0	7.5	7.5	8.0	9.0
	Total	Yen	4.0	15.0	15.0	16.0	18.0
Dividend payout ratio		%	21.3	27.2	26.7	28.0	30.0

IV. Status of Mid-term Management Plan Initiatives

Nichino Group – Growing Global Global Innovator for Crop & Life

- Supporting agricultural production and healthy lifestyles by providing advanced technologies that meet customer needs, such as new agrochemicals, pharmaceuticals, and animal health products
- Contributing to a sustainable society by expanding products and services that contribute to the SDGs (Eco-harmonized products and labor-saving technologies)



Ideal State of NICHINO Group

Ideal State in 2030

In the future

Corporate image	Penetration of "Nichino brand and Nichino quality" globally through attractive new product technologies and CSR (SDGs) management	Recognized as a leading company in the life science field Major contributions to solving social issues and sustainable development
Scale of business	Operating margin of 10% or more Over ¥125 bn sales (Overseas sales ratio: 70%) Existing businesses ¥100 bn + New businesses ¥25 bn	Operating margin of 15% or more Over ¥200 bn sales Existing businesses ¥150 bn + New businesses ¥50 bn
Sales force	Domestic market share of 10% or more Expanding business from overseas bases to surrounding areas Establishment of new businesses	Within the global Top10 No.1 in Japan (as a agrochemical business) Pharmaceuticals, animal health care products, and new businesses are the pillars of earnings
R&D	Establishment of Life Science R&D bases in Japan and overseas	Constantly developing agrochemicals and pharmaceuticals and animal health care products for global markets
Production	Almost all in-house TG manufacturing functions Realization of production automation	Completion of TG manufacturing in-house Production of other life sciences products Cost competitiveness and unique technologies
Human Resources and Governance	Establishment of work styles regardless of place and time	Diverse human resources of the entire group work globally

Back
Cast

Ensuring Growing Global 2

Group KPI

Operating profit Sales
¥6.4 Bil **¥89 Bil**

Divided payout ratio
30% or more

Execute further
growth strategy

Target sales
¥100 Bil

Global
expansion
up until now

Reinforcement of business infrastructure

- Improve profitability
- Technological innovation and establishment of next-generation businesses
- Sustainable growth in corporate value



Global innovator for food and living

Basic Policies for the Three-Year Mid-Term Management Plan

Profitability Improvement

- **Maximization of priority products**
- Strengthen domestic agrochemicals sales
- Cost reduction through optimal TG manufacturing system
- Expand the synergy of the group companies

Technological innovation and Establishment of Next-generation businesses

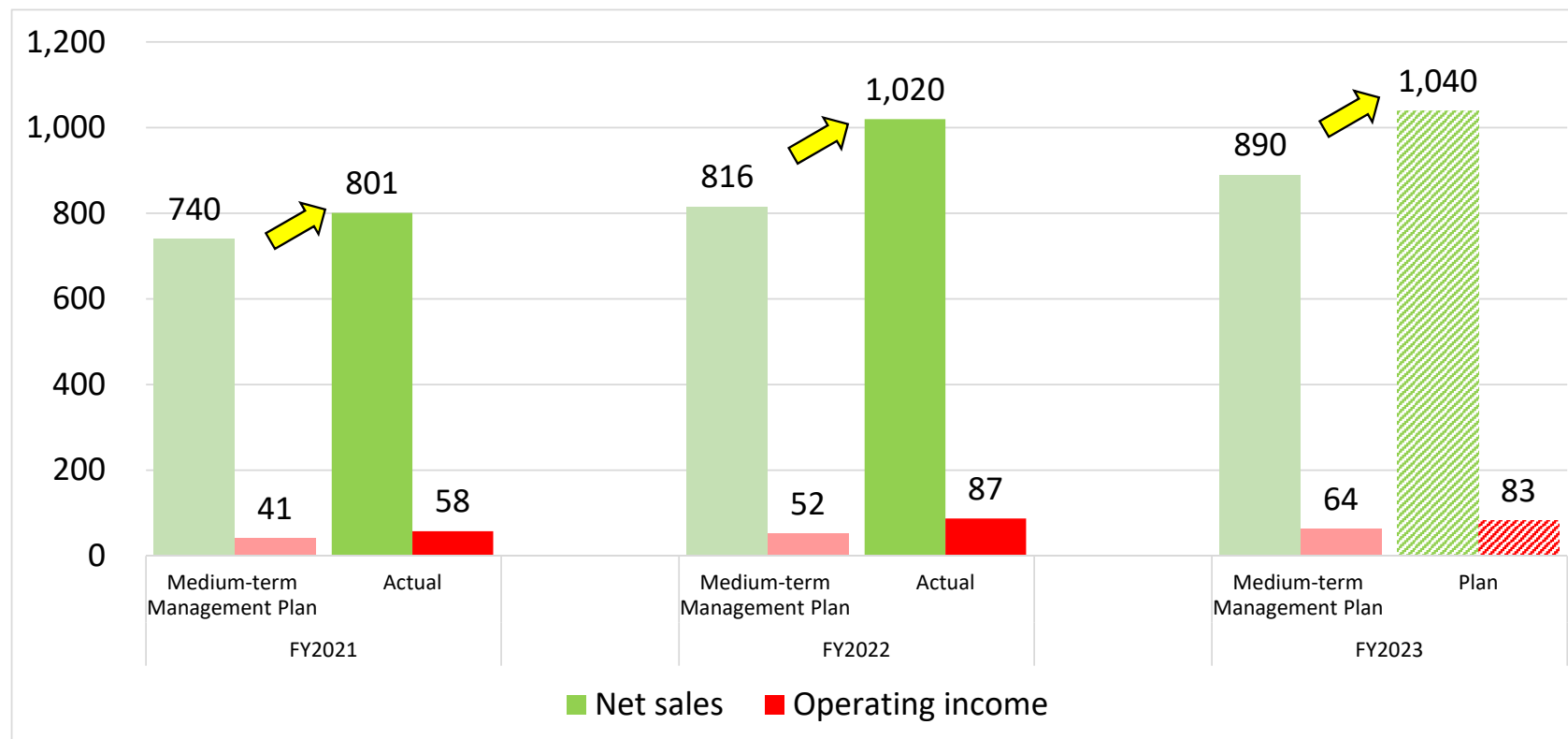
- **Promote R&D and global expansion**
- Expand into bio pesticides and crop protection materials sector
- DX initiatives

Sustainable growth in corporate value

- **Strengthen CSR activities and ESG management**
- Promote Business Reform and Work Style Reform

Targets for Medium-term Management Plan (3 Years)

(¥100m)



Both sales and profit are trending above plans. For FY2023, we will implement various policies towards achieving additional growth.

*Updated figures for FY2021 results to reflect change in exchange rate application standards.

◆ Profitability Improvement

- Expanded Brazil business
- Used Corteva product sales to expand commercial channels
- Revised prices to reflect technical grade cost increases
- NKR (Nichino Korea) business launch
- Expanded proprietary products
 - Started production of benzpyrimoxan at NIN (Nichino India)
 - Full launch of sales in India
 - pyrfluquinazon Launched sales in India from August, obtained registration in Canada
 - flubendiamide Obtained registration in Argentina
 - luliconazole Launch of generic athlete's foot formulation
 - Nexus Z20WSC Launched AgriMart sales

◆ Sustainable growth in corporate value

- Full-scale launch of CSR activities (revamped CSR report, explained policies to overseas Group companies)
- Global Strategic Project (GSP) business process unification progress
- DX promotion project promotion (conduct training, promote automation)

◆ Technological innovation Establishment Next-generation businesses

- NNI-2101 development progress
- Technical innovation
 - Smart Agriculture: Increase in manufacturers participating in AI image diagnosis app, diagnostic crops increased, release app in India, Vietnam, and Taiwan (October), as well as Korea (January)
 - Established API linking platform, business alliance with Zen-Noh and Kubota
 - AgriMart: AI image diagnosis system for disease-carrying pests service launch
- Next-generation business
 - Built global structure for promoting the adoption of bio pesticides and other crop protection materials
 - NEU acquired Interagro Ltd. (adjuvants, bio-stimulants)
 - Research progress on establishing semi-fermented product production technology

◆ Human resource utilization

- Employee participation in collaborative projects (GSP, DX promotion projects, etc.)
- Dispatchment to overseas Group companies, restarting study abroad)

◆ Profitability Improvement

- Soaring costs, delays in reflecting cost increases in prices for some items
- High dependence on exchange rates for increased revenues and profits
- Domestic proprietary products are struggling due to poor distribution inventory and pest control cycle
- Decreased demand due to abnormal weather such as drought in Europe and floods in Pakistan
- Correction from up-front purchasing associated with COVID-19
- Increased expenses due to resumption of activities (fares, travel expenses, outsourced testing expenses, etc.)
- Cost reduction initiatives

◆ Sustainable growth in corporate value

- GHG reduction and carbon neutrality initiatives
- Enhance corporate governance code-related information disclosure
- Further permeation of CSR (SDGs) management

◆ Technological innovation Establishment Next-generation businesses

- Delays in new drug development schedule
- Stricter registration requirements, requirement of additional testing
US pyraziflumid, pyraclonil delayed significantly
Spain tebufenpyrad citrus registration delayed
- Establish technology for crop protection materials such as biological pesticides and accelerate launch of sales
- Accelerate R&D targeting global expansion
- Establish inexpensive TG manufacturing method

◆ Human resource utilization

- Internal and external personnel interaction
- Human resource development (HR Committee, internal recruitment, developing female managers)

Blue text: New issues

Black text: Ongoing issues

FY2023 Management Policy

◆ Profitability Improvement

- Expand sales of our proprietary products, including our 4 major priority products
- Expand Corteva business
- Secure profit capable of absorbing foreign currency and inflation fluctuations
- Strengthen cost reduction negotiations and promote internalization of TG manufacturing
- Continue to review sales prices (address products with soaring costs)
- Strengthen Group company alliances and functions
- Full-scale operations at Nichino India new plant (increased production of benzpyrimoxan)

◆ Sustainable growth in corporate value

- Respond to increased disclosure scope for corporate governance information
- Efforts to improve non-financial value (human rights DD, enhance CSR reports)
- Expand CSR (SDGs) management to Group companies
- Start operations based on new project management (simultaneous global development)
- Strengthen "NICHINO" branding activities

◆ Technological innovation Establishment Next-generation businesses

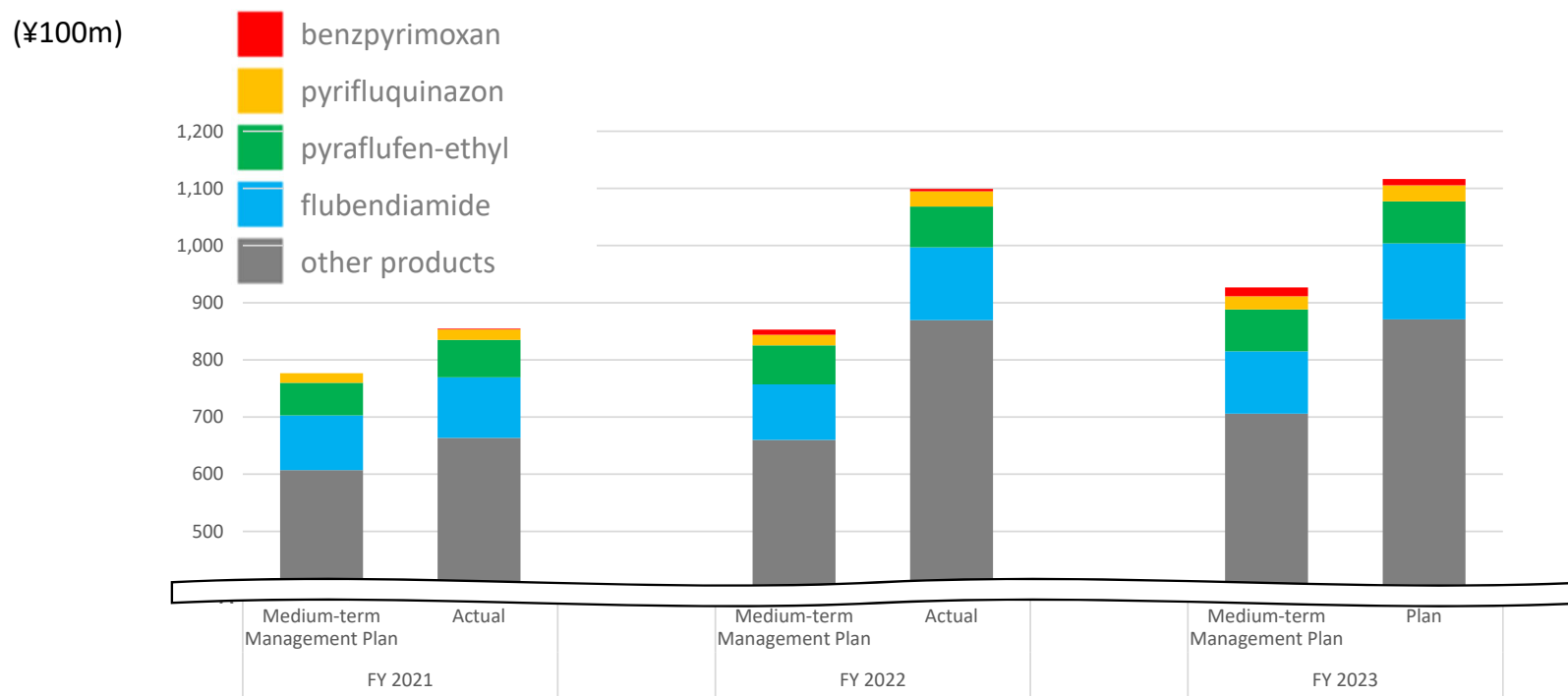
- Speed up drug development R&D
- Establish inexpensive TG manufacturing method
- Accelerate realization of new business projects
- Identify new business candidates
- Promote acquisition and commercialization of bio pesticides and crop protection materials
- Promote DX (backbone system, smart factories, smart agriculture, AI business utilization)

◆ Human resource utilization

- Formulate human resource investment strategy
- Participation in collaborative projects by young employees, interaction by internal and external human resources
- Human resource development (HR Committee, multiple internal roles, developing female managers)

Profitability Improvement

Expand 4 major priority products (in-house development profit-generating products)

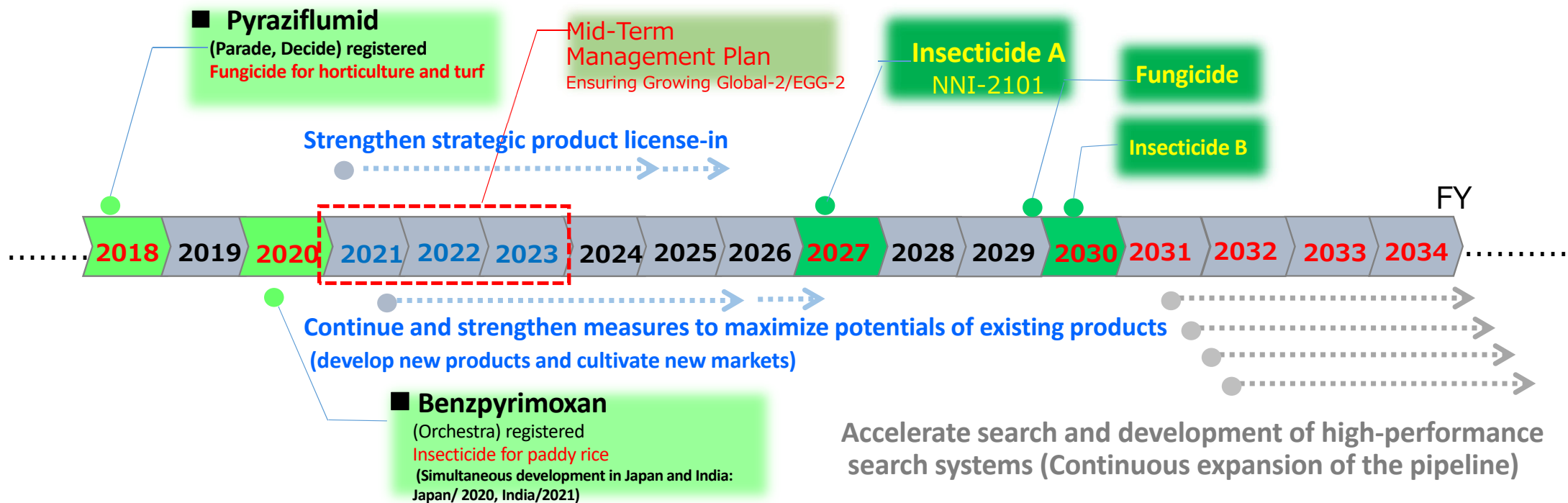


Sales ratio for priority products was 22% in FY2022, aiming for 25% or higher in FY2023.

Technological Innovation and Establishment of Next-generation Businesses

R&D Progress and Global Expansion

Continuous and stable discovery of new AIs and development (Pipeline expansion and early commercialization)



- Steady progress in expanding pipeline compounds amid increasing difficulty in discovery of new AIs
- Steadily commercialize new products through strategic R&D investment
- Strengthen registration and development capabilities by strengthening group-wide collaboration

Promote R&D and global expansion

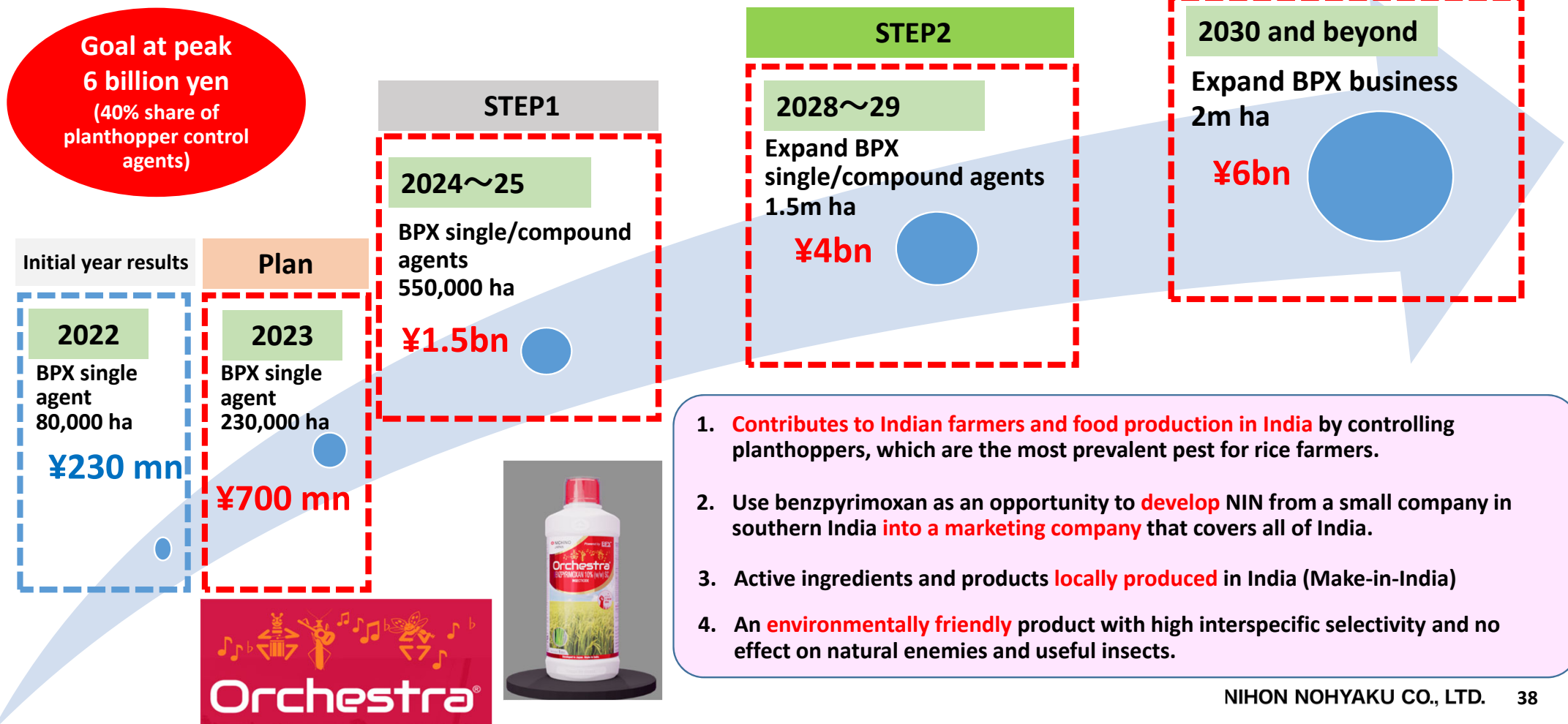
New insecticide A NNI-2101

- Launched development in Japan, India, and Korea
- Evaluate development in global locations
- Aiming to acquire pesticide registration in Japan in FY2027
- Peak sales: Expected to exceed 5 billion yen globally

1. As a growth engine for the global market, we will also **contribute to global food production**.
2. An insecticide that is highly effective against difficult-to-control pests such as **lepidoptera and coleoptera**.
3. Features a **novel action mechanism** and is also effective against insect pests that are resistant to existing agents.
4. Features **penetrability** and can be applied to various labor-saving technologies.

Technological Innovation and Establishment of Next-generation Businesses

Sales goals for benzpyrimoxan (BPX) in India



Overview of Nichino India capital investments

New construction and operation of No. 4 Multi-Purpose Plant (Humnabad Plant)

- In addition to benzpyrimoxan (BPX) technical grade, the plant is capable of manufacturing other technical grades besides
- Investment amount: Approx. ¥1 billion
- Construction completed in April 2023
- Production capacity: Annual production of 200t (BPX technical grade)

Strengthen technical grade production capacity

- Increase production of our own technical grades (insecticide tolfenpyrad, BPX, etc.) in India to achieve cost reductions
- Plan further facility expansions to enable increases in manufactured products



completion ceremony (Puhsya) April 2023



No.4 Multi-Purpose Plant

Development progress and plans for priority products

Insecticide benzpyrimoxan

- Sales launch: India/2022
- Registration review pending: Vietnam/scheduled for registration in 2023, India (compound agents)/scheduled for registration in 2023

Insecticide pyrifluquinazon

- Sales launch: Algeria, India, Mexico/2022
- Registration obtained: Canada, Oman, Tunisia, Israel, Saudi Arabia, El Salvador in 2022
- Registration review pending: Dominica, Nicaragua, Chile, New Zealand/scheduled for registration in 2024, Vietnam/scheduled for registration in 2025, Taiwan/scheduled for registration in 2027

Herbicide pyraflufenethyl

- Registration review pending: Thailand, Algeria/Registration scheduled for 2023, Egypt, Morocco/Scheduled to be registered in 2024

Development progress and plans for priority products

Insecticide flubendiamide

- Registration obtained: Argentina, Philippines in 2022, Ecuador in 2023
- Registration review pending: Colombia/scheduled for registration in 2024

Miticide pyflubumide

- Registration review pending: Registration application filed in Vietnam in 2022

Insecticide tolfenpyrad

- Sales launch: Oman, Palestine, Vietnam in 2022
- Registration review pending: El Salvador, Tunisia, Saudi Arabia/scheduled for registration in 2023, Honduras/scheduled for registration in 2024, Ecuador/scheduled for registration in 2025

Expand life sciences business

Strategically expand business from existing businesses to **new areas and new technologies** and move them forward to commercialization step by step

		Life science field		
		[Areas of expertise] Food (Agriculture)	[Existing areas] Health	[New Fields] Life
Resources and technologies	[Core technologies] Organic chemical synthesis	Agrochemicals Animal health care products (livestock)	Pharmaceuticals	Animal health care products (pets)
	[New technologies] Bioresources fermentation, natural products	Bio pesticides Biostimulants High value-added crops	Health aids	Cosmetics, fragrances, environment purification
	[New technologies] Service AI · ICT	Smart Agriculture (AI Diagnosis by images) [Under development]		disease-carrying insects (AI Diagnostic Counting) [Under development]

- Expansion as a Life Science Division of ADEKA Group
- Efforts to rapidly maximize synergies through business alliances

Biostimulants

クロスバリュー®

Uses the power of microorganisms to contribute to the production of crops that are resistant to environmental stress

Cross Value is a microbial material containing *Bacillus* bacteria. The power of microorganisms is expected to strengthen crop* tolerance to environmental stress, contributing to yield stabilization and quality improvement.

*Vegetables, flowers, rice (seedling boxes), fruit trees, etc.



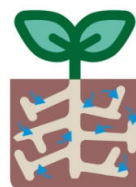
Cross Value promotes growth at the crop seed.



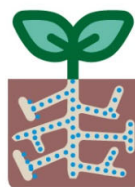
Protects roots from environmental stress to promote healthy development.



Helps root branching, root hair development, and root structure expansion.



Stimulates roots to improve soil nutrient intake.



Improves water use efficiency to increase resistance to drying.



Strong environment stress resistance and healthier crop development can provide crop stabilization and improved quality.

Untreated

Cross Value used



Nichino Europe Co., Ltd. acquired 100% of Interagro (UK) Limited stock



■ Overview of Interagro (UK) Ltd.

Founded	1993 (29-year history)
Business	Manufacturing and sales of adjuvants* and biostimulants (BS)
Scope of sales, estimated sales ratio (FY2022)	Net sales: £ 10,404,000 (1.66 billion yen) adjuvants 95%, BS 5% *Top share in the UK in the adjuvant sector
Head office location	Hertfordshire (UK) *Within 50 km from Cambridge where NEU is located
Bases (subsidiaries)	Utrecht (Netherlands), Budapest (Hungary), Sandton (South Africa)
Sales regions, sales methods	UK and Netherlands: Direct sales, Other European regions: B to B

*Adjuvant (functional spreading agent): A substance used in combination to assist, enhance, or improve the original action of the active ingredient of the main formulation.



CSR 7 priority issues and major policies (through 2023)

E: Environment

Raising the level of environmental management

(Environmental Conservation, RC Activities)

- Reducing environmental load
- Global expansion of RC Environmental Protection Activities

G: Governance

Strengthening corporate and organizational governance

(Corporate Governance, CSR Management)

- Rebuild audit structure
- Expand and strengthen internal control system

Overall: ESG in common

Expansion of compliance and risk management

(Sustainability Management: BCP)

- Global expansion and management
- Enhance BCP
- Promote and disseminate information on SDGs

S: Society

Expansion of human rights management

(D&I and Human Resource Development)

- Global expansion of human resource development
- Promote female advancement in the workplace and employment opportunities for persons with disabilities
- Ensuring human rights along the supply chain

Enhancing the safety culture

(Occupational Safety and Health, Product Safety)

- Promote global zero accidents
- Provide high quality
- Promote work reform in logistics

Development of technologies and products that meet the needs of society

(Pursuit of Customer Satisfaction)

- Develop environmentally friendly products
- Contribute to Smart Agriculture
- Strengthen communication with customers

Community involvement (Dialogue with Stakeholders)

- Enhance CSR report
- Support regional stimulation

Major progress in FY2022 on CSR 7 Priority Issues

Category	7 Priority Issues	Major progress in FY2022
E	Raising the level of environmental management (Environmental Conservation, RC Activities)	<ul style="list-style-type: none"> ● Systematically promoted GHG*¹ reduction measures (setting group policies and disclosing information) ● Decided to introduce solar power generation equipment (Nichino Service Fukushima Office)
S	Expansion of human rights management (D&I and Human Resource Development)	<ul style="list-style-type: none"> ● Started dialogue with domestic suppliers based on our basic procurement policy ● Obtained DBJ Health Management Rating ● Promoted female advancement in the workplace (1) Rate of females in final interviews for new hires: 40%; 15.6% (joined in 2022) → 42.9% (joined in 2023) (2) Percentage of female managerial staff: 13%: 8.3% (March 2022) → 8.4% (March 2023) *9.2% (as of April 2023)
	Enhancing the safety culture (Occupational Safety and Health, Product Safety)	<ul style="list-style-type: none"> ● In Japan, continued to promote basic safety measures (4 types of safety) (RC*² activities) *Domestic: Accidents resulting in leave/non-leave (3 incidents each) ● Improved product/quality control system → Creation and operation of “error information processing form” (currently validating) ● Strengthened monitoring and checking functions regarding overall safety measures → Organizational change to “Environment, Safety and Quality Assurance Department”
	Development of technologies and products that meet the needs of society (Pursuit of Customer Satisfaction)	<ul style="list-style-type: none"> ● Product development and provision of materials that lead to customer satisfaction → Gradual development of evaluation structure (Cross Value launched in April 2023) ● Smart agriculture deployment/AI diagnosis app: Leime enhancements → Increased scope of compatibility to 19 crops, expanded to overseas bases (Taiwan, Vietnam, India, South Korea), also expanding to disease-carrying pest domain
	Community involvement (Dialogue with Stakeholders)	<ul style="list-style-type: none"> ● Significantly revamped the CSR report (organized and expanded data collection) ● Continued to develop activities aimed at coexistence with the local communities (participated in Kawachinagano City's "Open Company Event" and participated in an environmental improvement project through industry-government-academia collaboration) ● Strengthening and promoting branding strategy by revamping corporate advertising → Unified global Group logo
G	Strengthening Corporate and Organizational Governance (Corporate Governance, CSR Management)	<ul style="list-style-type: none"> ● Continued evaluating measures for strengthening governance at overseas subsidiaries (strengthening consolidated management) → Joint implementation of internal audits and audits by the Audit and Supervisory Committee ● Built a system for English language-based information sharing between Group companies → Completed test data sharing system
ESG in common	Expansion of compliance and risk management (Sustainability Management: BCP)	<ul style="list-style-type: none"> ● Signing of the United Nations Global Compact ● Declaration of support for TCFD*³ and disclosure of “risks and opportunities” ● Building a global internal reporting system ● Responding to stricter regulations for pesticide registration systems in each country → Continue gathering information and making decisions for each country/formulation

*1 : Greenhouse Gas

*2 : Responsible Care

*3: Taskforce on Climate-related Financial Disclosures

CSR 7 Priority Issues (E: Raising the level of environmental management)

■ Nihon Nohyaku Group's Policy on GHG Reduction

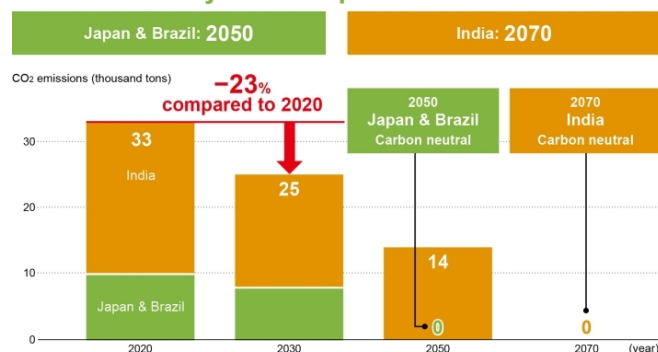
Establishing Global Environmental Management

Since the Nihon Nohyaku Group has manufacturing sites in Japan, India, and Brazil, GHG emissions reduction targets are in line with each target country by country, and we have set global targets for Scope 1*¹ and Scope 2*² in 2022.

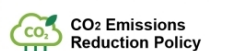
*1 Direct emissions of GHG by the reporting company.

*2 Indirect emissions from the use of electricity, heat, or steam supplied by others.

The Nihon Nohyaku Group* aims to be carbon neutral



* Nihon Nohyaku and other Group companies that have manufacturing sites



Reduction of GHG emissions associated with business activities

2030 target (Scope 1+2)

23% reduction

(compared to FY2020)

We aim to gradually become carbon neutral while watching changes in energy policies in each country.

- In Japan, specific measures are being considered/promoted
- Nichino Service Co., Ltd. decided to install solar power generation equipment at Fukushima Plant
- In India, start similar activities as in Japan from current FY
- Urgently ascertain Scope 3*¹ in India/Brazil where we have overseas manufacturing bases

The Nihon Nohyaku Group* aims to be carbon neutral

* Nihon Nohyaku, and other Group companies that have manufacturing sites

Japan and Brazil: 2050
India: 2070

CO₂ Emissions Reduction Policy

Reduction of GHG emissions associated with business activities

2030 target (Scope 1 + 2)

23% reduction (compared to FY2020)*

*: Equivalent to ADEKA Group target (46% reduction compared to 2013/Japan)

We aim to gradually achieve carbon neutrality while maintaining an awareness of changes in the energy policies of each country.

*1 : Scope3

- Scope 1: Direct GHG emissions by businesses (fuel combustion, industrial processes)
- Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies
- **Scope 3: Indirect emissions other than Scope 1 and Scope 2 (Emissions of other companies related to business activities)**

● Supply chain emissions = Scope 1 emissions + Scope 2 emissions + **Scope 3 emissions**

*"Supply chain" refers to the entire scope of impact of a company's business activities, from raw material procurement to manufacturing, distribution, sales, and disposal.

(<https://www.teitannso.jp/article/16450141.html#>)

CSR 7 Priority Issues (S: Expansion of human rights management)

Human rights (D&I) related

Rate of females in final interviews for new hires

15.9%
(joined in 2022)



42.9%
(joined in 2023)

Percentage of female managerial staff

8.3%
(Mar. 2022)



8.4%
(Mar. 2023)
9.2%
(Apr. 2023)

Percentage of men taking childcare leave

50.0%
(Mar. 2023)



55.6%
(Mar. 2023)

Draft basic procurement policy

Start dialogue with domestic suppliers

(Survey response rate: 83%)* Purchase amount

Creating a comfortable working environment

Promote health management



Obtained DBJ Health Management Rating

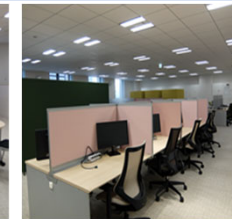
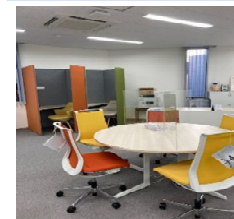
Adopt open office system for head office and Fukuoka sales office

[Concept]

- Office restructuring to accommodate changes in work styles due to telecommuting
- Review of Work Place & Work Style for the post-COVID-19 era
- Improve employee satisfaction and productivity

[Effect]

- Generate synergy and improve productivity by stimulating internal communication (especially between departments)
- Promote diversity through diverse work styles
- Create an environment where employees feel "I want to work at this company"



CSR 7 Priority Issues (S: To develop technologies and products that meet the needs of society)

*PCO: Pest Control Operator

Agriculture sector: Support for the development of future corporate farmers (corporations)

→ New source of income to address market contraction

Disease-carrying pest sector: Reducing labor costs for PCO* companies

→ Enter the subscription business



Leime AI Disease, Pest & Weed Analysis

- Expand number of crops (**currently 19**)
- Add almanac function in 2023
- Increase participating companies (currently 6) and secure position as industry top



Comprehensive support for pest and weed control Harvest Brain

- Decided on development direction in May 2023
- Expand functionality to occurrence prediction information

Agrimart's new business

Leime AI Pest Identification and Counting System

- Released in April 2022
- Customization supported, currently expanding functions
- Inquiries from non-target industries
- Overseas expansion plan through collaboration with other companies



Leime Overseas version NICHINO AI Diagnosis Acro Seeker

- Released in India, Taiwan, Vietnam, and Korea (October 2022)
- Utilize image diagnosis knowhow



New technology and product development Corporate alliances

- Alliance with Zen-Noh and Kubota
- Currently discussing corporate partnerships in various fields (Imades, sprayers, drones, satellites, facility sensing, agricultural management cloud, etc.)
- Develop applications for our technology



[Common] System provision to other companies

API platform architecture and API linking

- Development targeting menu expansion
- Efforts related to the solutions of other companies
- Sell as an auxiliary function

Strengthening the Nihon Nohyaku Group Brand

Nichino group logo



Nichino Group Symbol Mark



Slogan

A pioneering company developing sustainable innovations for the crop and life industry.

- As the Nihon Nohyaku Group, we established the "Nichino Group Logo" to improve our brand recognition by making the "NICHINO" brand known domestically and internationally, both within and outside the Group.
- The "Fujiichi mark", which has been the symbol of the Group since our founding, is given new meaning by becoming the "Nichino Group symbol mark".

About Corporate Governance Initiatives

Strengthening corporate governance

FY2022

June 2023 (planned)

Independent external director

33.3% (1/3)



50% (1/2)

Ratio of female directors

2 13.3%



3 25.0%

Established a new executive officer board

- **Significant transfer of authority** from the Board of Directors to the Executive Officer Board
- **Transition to a Board monitoring model**
(Number of members: 15 of which, 5 outside directors ➡ 12 of which, 6 outside directors)

