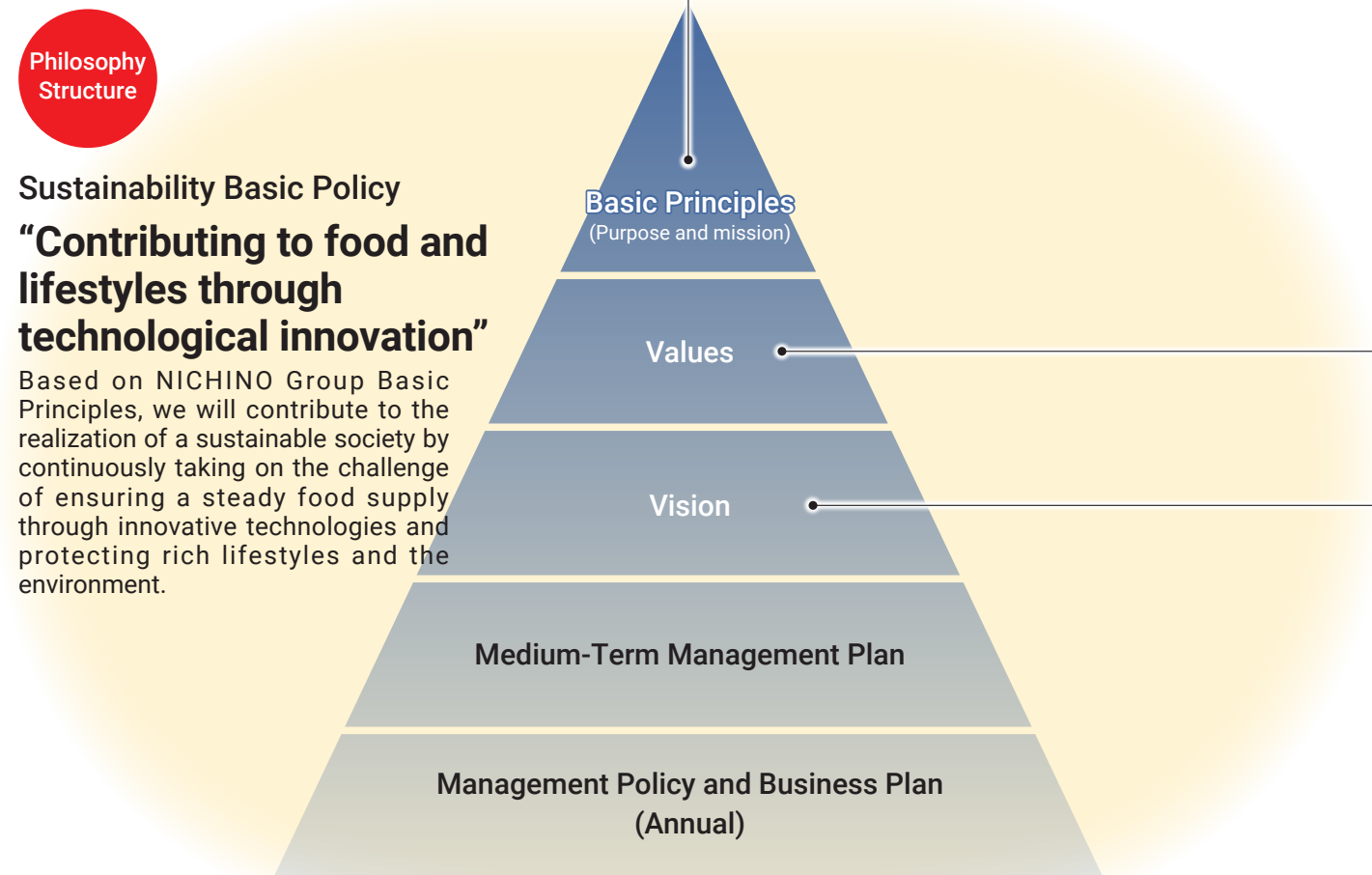




# Integrated Report 2025

# Philosophy Structure of NICHINO Group

NICHINO Group's philosophy structure consists of the "Basic Principles," which express the Group's raison d'être and mission; the "Values" that the Group cherishes in order to embody the "Basic Principles"; the "Vision," which expresses the Group's ideal business model for the future; as well as the "Medium-Term Management Plan" and "Management Policy and Business Plan (Annual)" to realize said "Vision." The Group has positioned the "Sustainability Basic Policy" as the backbone that supports everything from the Basic Principles to the Management Policy and Business Plan (shown in diagram below). At NICHINO Group, we will steadily promote our medium-term management plan as well as the management policy and business plan based on this philosophy structure to contribute to the realization of a sustainable society.



## NICHINO Group Action Charter

- 1 We improve quality of life for all by providing safe and effective products and services that satisfy customers.
- 2 We conduct fair and transparent business operations, respecting social ethics and complying with related laws, regulations, and the spirit thereof.
- 3 We contribute to the realization of a sustainable society, with consideration for the global environment.
- 4 We actively communicate and contribute to our communities as good corporate citizens.
- 5 We properly manage corporate information and disclose it in a timely and appropriate manner.
- 6 We recognize the importance of personal data, intellectual property and other information, and safeguard it under proper protection and management.
- 7 We respect the human rights and diverse values of all people and contribute to the realization of a society free of discrimination and prejudice.
- 8 We ensure a safe and comfortable work environment for our employees, always respecting individuality and the diversity in people and cultures.
- 9 We entirely exclude involvement with antisocial forces and organizations and resolutely refuse unreasonable requests.
- 10 We contribute to the development of each country and region in line with globalization, adhering to international rules as well as local laws, culture and customs.
- 11 We promote the sound and sustainable growth of the business for social contribution.

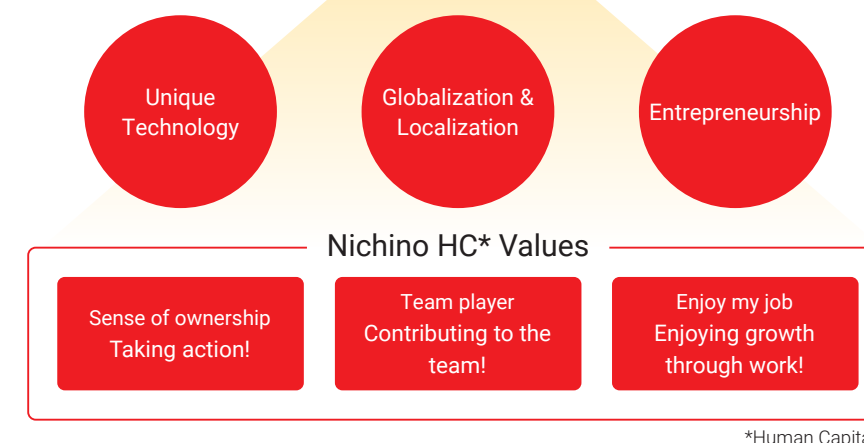
## Basic Principles

- We contribute to the realization of a sustainable society by ensuring a safe and steady food supply and protecting quality of life.
- We respond to the needs of society by taking on the challenge of creating new values.
- We respond to the expectations of all stakeholders through fair and vigorous corporate activities.

## Values

NICHINO Group's most important value is "to provide customer satisfaction and contribute to society" by leveraging its unique strengths. These strengths are our "unique technology," our orientation toward "globalization & localization," and our "entrepreneurship." Moreover, we believe that the source of this value lies in our human resources, and we have shared our ideal image for human resources as "Nichino Human Capital Value." We are implementing measures to develop human resources and foster a good corporate culture.

## Customer Satisfaction and Social Contributions

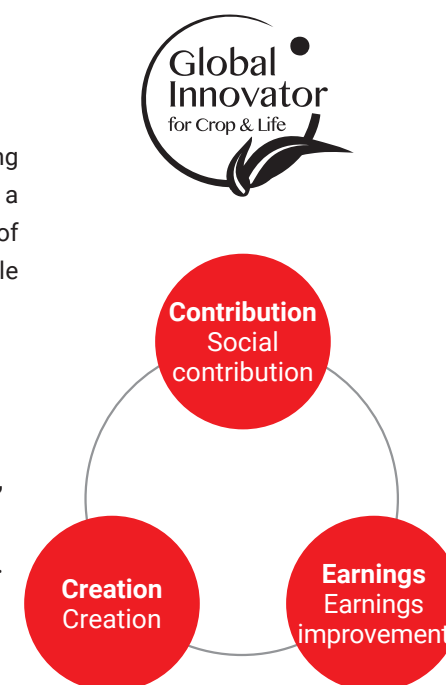


## Vision

### "Global Innovator for Crop & Life"

At NICHINO Group, we aim to be unique, with a business scale among the top 10 in the global agrochemical market. We strive to be a company that can ensure the world's food supply and protect quality of life through creation, contributing to the realization of a sustainable society.

- Contributing to the achievement of carbon neutrality.
- Realizing the continuous creation of eco-harmonized products, services, and technologies.
- Significantly contributing to the realization of a sustainable society.





# Integrated Report 2025

## Contents

### About Nihon Nohyaku

- 01 Our Values
- 03 Contents and Editorial Policy
- 05 History of Value Creation in NICHINO Group

### Value Creation at Nihon Nohyaku

- 07 Commitment of Top Management
- 13 Value Creation Process
- 16 Medium-Term Management Plan
- 19 Growth Strategy
- 21 Financial Strategy
- 23 Marketing Strategy
- 25 R&D Strategy
- 29 Domestic Agrochemical Business
- 31 Overseas Agrochemical Business
- 34 Life Science Products Business
- 36 Smart Agriculture
- 38 DX Strategy (Digital Innovation)
- 39 Human Capital Strategy

### Sustainability of Nihon Nohyaku

- 43 Sustainability Management
- 47 (Environment) Raising the Level of Environmental Management
- 51 (Social) Expansion of Human Rights Management

## Editorial Policy (On the Publication of the Integrated Report)

This year, FY2025, NICHINO Group issues its inaugural Integrated Report. The purpose of this report is to deepen readers' understanding of the Group's efforts to sustainably increase corporate value and its medium- and long-term growth strategy. We aim to promote constructive dialogue with all stakeholders, including shareholders, investors, customers, business partners, local communities, society, and the Group's officers and employees, and to realize effective corporate governance that contributes to sustainable growth and the improvement of corporate value.

In this report, we present the mechanisms for creating corporate value and the priority issues (materiality) for NICHINO Group to address in the pursuit of medium- to long-term corporate growth, under our mission to "contribute to the realization of a sustainable society by ensuring a safe and steady food supply and protecting quality of life." Additionally, in response to the recent increase in requests for information disclosure, we strive to disclose ESG information, including our initiatives regarding the environment and climate change, our approach to human resources, and corporate governance.

For detailed sustainability information, please refer to the sustainability section of our website, and for main ESG data, please refer to the "Sustainability Data Book" on our website.

**Online** Sustainability section of our website  
<https://www.nichino.co.jp/en/csr/index.html>



**PDF** Sustainability Data Book  
[https://www.nichino.co.jp/en/csr/csr\\_report.html](https://www.nichino.co.jp/en/csr/csr_report.html)



This report will help stakeholders gain a deeper insight into NICHINO Group. We will continue to strive to enhance the content of this report and use it to facilitate dialogue with our stakeholders.

### Integrated Report 2025 Questionnaire Survey

Please access the URL and provide your feedback on the survey questions. We will use this as a reference for promoting future sustainability initiatives.  
<https://forms.office.com/r/XvgWddELP7>



- 53 Enhancing the Culture for Safety
- 57 Development of Technologies and Products that Meet the Needs of Society
- 58 Community Involvement
- 59 (Governance) Strengthening Corporate and Organizational Governance
- 69 (Overall ESG) Expansion of Compliance and Risk Management

### Data Section

- 72 Company Overview and List of NICHINO Group Companies
- 73 Stock Information and External Evaluation
- 75 Financial and Non-financial Highlights

**Reporting Period**  
In principle, the reporting period is from April 2024 to March 2025, but some activities before and after this period are also included in the report.

**Scope of the Report**  
The companies in NICHINO Group, including NIHON NOHYAKU CO., LTD., from April to March the following year.  
Note: From January to December for Sipcam Nichino Brasil S.A.

**Publication**  
October 2025

**Reference Guidelines**  
Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation"



IFRS Foundation "International Integrated Reporting Framework"  
ISO 26000:2010 Guidance on social responsibility  
Global Reporting Initiative "Sustainability Reporting Standards"  
Ministry of the Environment "Environmental Reporting Guidelines 2018"  
Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



History of Value Creation in NICHINO Group

Nihon Nohyaku, the core of NICHINO Group, was established in 1928 as the first crop protection products manufacturer in Japan through a merger of the Agricultural Chemical Department of Asahi Denka Co., Ltd. (now ADEKA Corporation) and Fujii Seiyaku Co., Ltd. During this period, NICHINO Group continued to grow toward achieving a sustainable society, while contributing to safe and stable crop production through its core agrochemical business. The Group now consists of 22 companies, including 10 consolidated companies.

Founding to Early Development Period (1928–1960s)

Formation of the management philosophy in the agrochemicals business and contribution to the development of the industry

At the time of its founding, Nihon Nohyaku was engaged in the manufacturing and sales of products made from lead arsenate, which was commercialized using by-products from mining and industrial operations within the Furukawa Group. Nihon Nohyaku quickly recognized the importance of testing and research, establishing the Kawachi Disease and Insect Research Farm. A production site was also established with the completion of the Tsukuda Plant (now Osaka Office). Our management philosophy of “ensuring a safe and steady food supply and protecting quality of life” was formed on this pursuit, throughout our history, of business activities based on a scientific perspective. A commitment to academic research has been passed down throughout our history, most notably in the activities of the Research Center, the Group’s research and development hub. From today’s perspective, our diverse achievements as a pioneer in the formative years of the agrochemicals industry reflect our active commitment to building trust with various stakeholders surrounding our business.

Quick Comment

While the development of the agrochemicals industry has contributed greatly to food production, concerns about its safety began to emerge. As a result, shortly after World War II, the Agricultural Chemicals Regulation Act was enacted, and the pesticide registration system was established (1948). Lead arsenate became the first agrochemical to have been registered under this system, and numbers one through eight were all Nihon Nohyaku’s main products.

Social Change to Growth Period (1970s–2000s)

Transformation into a Research and Development (R&D)-oriented company, demonstrating uniqueness, and pursuing safety

After World War II, domestic agrochemical manufacturers finally commenced discovery research to explore domestically produced active ingredients. Nihon Nohyaku also developed isoprothiolane (FUJI-ONE), the first fungicide for rice developed in-house. It then proceeded to create numerous other major products. The isoprothiolane manufacturing plant was completed in 1978, and Nihon Nohyaku marked its 50th anniversary by transforming into a Research and Development (R&D)-oriented company. Meanwhile, Japan rapidly established various safety-related laws, evaluation agencies, and monitoring systems, in view of the close link between agrochemicals, the environment, and people’s diets. Nihon Nohyaku would subsequently be subject to a diverse range of social demands. Far from hampering business activities, this led to an even greater awareness of our commitment to the safety and security of agrochemicals, which has been our focus throughout our history.

Quick Comment

The chemical characteristics and unique properties of isoprothiolane led to the development of selective insecticide buprofezin (APPLAUD) and pharmaceutical antifungal agents like laniconazole and luliconazole. This was a classic example of Nihon Nohyaku’s traditional strengths in research and development—our commitment to originality and entrepreneurial spirit—demonstrated in action.

Transition to Expansion Period (2000s–Present)

Business expansion and rapid advancement through the shift to a global growth strategy

Amid the progressive expansion of businesses centered on agrochemicals, Nihon Nohyaku undertook large-scale rationalization measures and M&A activities based on proactive industry restructuring measures. These included business acquisitions from Mitsubishi Chemical Corp. and Tomono Agrica. The success of these endeavors led to the establishment of our corporate vision, “Growing Global to become an outstanding globally competitive group” (2012), and made a major shift toward a global growth strategy. Even under the adverse business conditions of the 1990s, we maintained our medium- to long-term investments in research and development, aiming for technological innovation. This resulted in the continuous development of new agents, including the large-scale insecticide flubendiamide (Phoenix). The steady implementation of our global growth strategy led to the construction of manufacturing sites in India and Brazil, as well as the integration and enhancement of various financial and non-financial strategies and tactics.

Quick Comment

Flubendiamide was the first diamide insecticide ever registered in the world. Because it selectively targets lepidopterous pests, it is an eco-harmonized product from the perspective of biodiversity conservation. Cumulative global sales to date have reached approximately 300 billion yen, including the sales rights licensed to Bayer.

Promoting sustainability management to improve corporate value

As Japan’s first specialized agrochemical manufacturer, Nihon Nohyaku’s history mirrors the modern history of the agrochemical business and the agrochemical industry itself. Upholding the historical significance of this journey, NICHINO Group strives to improve corporate value to realize its vision of being a “Global Innovator for Crop & Life.” We do this by addressing global challenges, including the stable production and supply of food and efforts for biodiversity and environmental conservation, as well as through our relentless pursuit of technological innovation and stronger global partnerships to achieve these goals. The 2000s were an important period during which the foundations were laid for NICHINO Group’s ongoing growth strategy. We present the progress of value creation during this period in detail in the context of the Medium-Term Management Plan, described later (p.16–18).

Site development

- 1928 Founded
- 1930 Kawachi Disease and Insect Research Farm opened in Osaka
- 1934 Tsukuda Plant (now Osaka Office) completed
- Kyushu Business Office (now Fukuoka Branch) opened
- 1956 Chemical Research Laboratory completed
- 1959 Company Headquarters moved to Tokyo
- 1969 Agricultural Chemicals (Malaysia) Sdn. Bhd. established in Malaysia



Company Headquarters moved to Tokyo

- 1974 Nichino Ryokka Co., Ltd. established
- 1989 Japan House Tech Co., Ltd. (now Nichino Service Co., Ltd.) established
- 1990 Nihon Ecotech Co., Ltd. established
- 1992 London Office opened
- 1995 Research Center completed
- New York Office opened
- 1996 Taiwan Nihon Nohyaku Co., Ltd. established in Taiwan



Research Center (Kawachinagano-city, Osaka)

Products and services

- 1948 First crop protection products registration: lead arsenate



Lead arsenate

- 1975 FUJI-ONE (isoprothiolane) fungicide launched
- 1984 APPLAUD (buprofezin) insecticide launched
- 1985 MONCUT (flutolanil) fungicide launched
- Malotilate formulation (pharmaceutical) launched
- 1991 DANITRON (fenpyroximate) acaricide launched
- 1994 Lanoconazole formulation (pharmaceutical) launched
- 1999 ECOPART (pyraflufen-ethyl) and THUNDERBOLT (pyraflufen-ethyl mixture) herbicides launched



FUJI-ONE (isoprothiolane)



APPLAUD (buprofezin)

Net sales exceed 50 billion yen

- 2002 A portion of Tomono Agrica’s business acquired
- Mitsubishi Chemical Corp.’s plant protection business acquired
- Inherited HACHI-HACHI (tolfenpyrad) insecticide and PYRANICA (tebufenpyrad) acaricide
- Inherited Z BORDEAUX (basic copper sulfate) fungicide
- Inherited indanofan herbicide
- 2003 V-GET (tiadinil) fungicide launched
- 2005 Luliconazole formulation (pharmaceutical) launched
- 2007 PHOENIX (flubendiamide) insecticide and pyriprole formulation (animal health product) launched
- 2010 AXEL (metaflumizone) and COLT (pyrifluquinazon) insecticides launched



PHOENIX (flubendiamide)

- 2015 DANIKONG and DOUBLE FACIES (pyflubumide) acaricides launched
- 2016 NEXUS (termiticide) launched
- 2018 PARADE (pyraziflumid) fungicide launched
- 2020 Diagnose Your Crops with AI! app released
- 2021 ORCHESTRA (benzpyrimoxan) insecticide launched



Diagnose Your Crops with AI!



ORCHESTRA (benzpyrimoxan)

Net sales exceed 100 billion yen

Change of fiscal year end (half-year settlement)

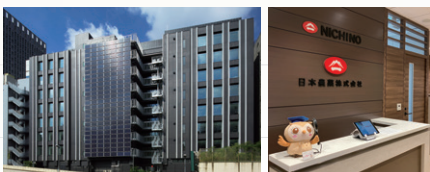


Nichino America, Inc. (Delaware, USA)



Nichino India Pvt. Ltd. (Hyderabad, India)

- 1997 Nichino America, Inc. established in the USA
- 2005 Shanghai Office opened
- 2007 Nichino Europe Co., Ltd. established in the UK
- 2011 Nichino Shanghai Co., Ltd. established
- 2013 Company Headquarters move from Nihonbashi to Kyobashi in Tokyo
- 2014 Arysta Life Science AgriMart Co., Ltd. (now AgriMart Corporation) became our wholly owned subsidiary
- Invested in Sipcam Agro S.A. in Brazil (name changed to Sipcam Nichino Brasil S.A.)
- Nichino do Brasil Agroquímicos Ltda. established



Headquarters (Kyobashi, Tokyo)

- 2015 Hyderabad Chemical Ltd. (now Nichino India Pvt. Ltd.) became our consolidated subsidiary
- 2016 Sipcam Nichino Brasil S.A. became our consolidated subsidiary
- 2017 Nichino Vietnam Co., Ltd. established in Vietnam
- 2018 Acquired shares of Adnicol S.A.S. in Colombia (name changed to Nihon Nohyaku Andica S.A.S.)
- Capital and business alliance agreement with ADEKA Corporation
- 2020 Nichino México S. de R.L. de C.V. established as a subsidiary of Nichino America, Inc.
- 2022 Nichino Korea Co., Ltd. established in South Korea
- 2023 Interagro (UK) Ltd. became a wholly owned subsidiary of Nichino Europe Co., Ltd.
- Nichino Chile Sociedades por Acciones established in Chile

\*Consolidated net sales since 1992



## Commitment of Top Management



**We will build on our robust drug discovery technologies and organizational structure to contribute to food and lifestyles globally**

**Hiroyuki Iwata**

President and Representative Director

### A new step, communicating the future of agriculture and our corporate ambition

This is the inaugural Integrated Report published by Nihon Nohyaku Co., Ltd.

We have previously introduced initiatives to address environmental and social issues through disclosures centered on non-financial information, such as our Responsible Care Report and the Sustainability Report. Recent years, especially, have seen an increasingly diverse range of metrics used to measure corporate value. In addition to financial indicators, there has been increasing focus on long-term sustainability and how companies engage with social challenges.

Integrated reports have become an important tool in light of this historical trend. They organically link financial and non-financial information, illustrating the company's current position and its future vision. In this report, we aim to convey, in frank and concrete terms, NICHINO Group's direction and its value creation story.

Personally speaking, the preparation of this Integrated Report gave me the opportunity to reconsider questions such as "Why do we pursue this business?" and "What value does it bring to society?" I believe that the greatest significance of this report lies in its presentation of information beyond mere numbers, enabling readers to gain a sense of "Nihon Nohyaku's corporate personality."

Agriculture is directly connected to "food" and "lifestyles". It supports the foundation of humanity. At the same time, it is an industry with close ties to the natural environment and local communities. In this context, how do we contribute to society, and what kind of future do we envision?

I hope that this Integrated Report will convey our current position and aspirations.

### The path we have pursued together with our mission of "ensuring a safe and steady food supply and protecting quality of life"

Ever since Nihon Nohyaku was founded in 1928 as Japan's first agrochemical manufacturer, we have developed businesses centered on agrochemicals under our corporate philosophy of "ensuring a safe and steady food supply and protecting quality of life." I believe this principle has motivated and guided my own actions many times. The history of Nihon Nohyaku is also a story of deep involvement in the agrochemical industry, laying the foundation for the entire industry during its early years. This included the establishment of production and sales systems, commercialization channels, and quality control frameworks, as well as the dissemination of scientifically-based information. Our pioneering efforts went beyond business activities, promoting recognition of the important social role of agrochemicals.

I believe that agrochemicals are an essential technology for stable and safe food production. As a company, we believe they are fundamentally significant in terms of supporting people's survival and health, as well as underpinning the sustainable activities of society.

We have enhanced the value of agrochemicals through numerous technological innovations. Since shortly after our founding, we have been driven by this sense of mission to focus on the importance of properly evaluating agrochemical performance and safety. We have led the way in establishing evaluation and research systems, such as introducing safe manufacturing facilities and actively incorporating advanced knowledge and technologies from overseas.

Our commitment to trust in scientific knowledge and address social demands, as well as our thorough dedication to safety and security, have remained at the core of our business activities throughout our history. Today, we are channeling this spirit into the creation of our own active ingredients with unique qualities and high safety standards, and present this as our clear, research and development-oriented management policy. It is my responsibility and pride to ensure that this philosophy is faithfully passed on to the next generation.

### A sure sense of achievement in an uncertain market

In FY2024, Nihon Nohyaku saw an approximately 3% decrease in revenue amid a 6% decline in the overall global demand for agrochemicals. Despite this underwhelming result, we believe that we put in a relatively solid performance considering the volatility of the overall market.

We also secured an increase in profit. Our efforts to reduce costs proved particularly effective, with operating profit reaching 8.5 billion yen. Revisions to the cost structure and the optimization of the global sales system, among other structural reforms, are steadily yielding results.

By region, the North American market saw remarkable growth. In the United States, net sales finally exceeded USD 100 million, achieving a long-standing goal for us. This was one of the most moving events for me. It represents the fruits of the North American team's tireless efforts and years of steady trust-building. We also strengthened our presence in the regions formerly covered by the NAFTA, such as Canada and Mexico. In Mexico, specifically, where avocado demand is vigorous, the direct sales system established with the incorporation of a local subsidiary made a positive contribution.

Meanwhile, the regulatory environment remains stringent in the European market. This includes the Farm to Fork strategy, which targets sustainability in the food

system, including the reduction of chemicals. In this context, our eco-harmonized products are highly valued in the market, and we are enjoying "survivorship benefits" due to the withdrawal of competitors. This result underscores our technological reliability and also contributes to the expansion of our market share.

Meanwhile, in the Indian market, factors such as the monsoon led to rising instability, forcing us to recognize an impairment of goodwill for Nichino India Pvt. Ltd. We responded swiftly and flexibly by overhauling that company's management system, dispatching executives from our head office, and rebuilding the local personnel structure, among other measures. This crisis management capability is also one of Nihon Nohyaku's strengths.

In this way, our recent performance has generally remained stable, but uncertainty is increasing across the industry as a whole. The agrochemicals market is vulnerable to weather conditions and geopolitical risks in any given year, and complex external factors such as the situation in Ukraine, unrest in the Middle East, and constraints on the supply of raw materials may potentially impact our performance.

Our ability to maintain stable performance in the face of this uncertainty is due to the structural reforms we have progressively implemented and our shift toward a

Commitment of Top Management

profit-focused structure. Specifically, the steady accumulation of careful choices—such as reviewing our portfolio based on product-specific profitability management, reducing costs through the relocation of production sites, and strategically focusing or withdrawing based on market-specific profitability

assessments—has formed the foundation for our development. With this in mind, we will continue to move forward through progressive, careful decision-making.

Our future strategy as a drug discovery-focused agrochemical manufacturer

In our medium-term management plan for 2030, we have set three targets for our ideal business model: net sales exceeding 165.0 billion yen, an operating profit margin of 10% or more, and ROE of 10% or more. Additionally, to further enhance our global presence, we aim to be among the top 10 companies by sales in the crop protection field.

The key phrase in achieving these numerical targets will be “Global Innovator for Crop & Life.” This represents our strategic vision for delivering value that extends beyond the manufacture and sale of agrochemicals, the core of our business, to encompass improving efficiency and safety throughout the agricultural sector. It even extends to pharmaceuticals and biotechnology, which are closely connected to people’s daily lives.

For example, we are venturing into the life sciences sector with products such as athlete’s foot medicine and toenail fungus treatments, applying the knowledge we have cultivated in the agricultural field to areas that can contribute more directly to people’s daily lives. Initiatives in these new fields have the potential to become new pillars of revenue in the future. We aim to generate 15.0 billion yen or more in sales in new sectors by 2030.

Continuing investment in research and development is also at the core of our strategy. We plan to invest an amount equivalent to approximately 10% of the sales of Nihon Nohyaku Co., Ltd. (approximately 7% on a consolidated basis) in research and development annually, aiming for a total investment of 20.0 billion yen over three years. Among these efforts, the next-generation insecticide cybenzoxasulfonyl (CBX), scheduled

for launch in 2028, is expected to be a major product developed ahead of the rest of the world. We have previously created global products such as buprofezin and flubendiamide, establishing a solid track record and development capabilities in the insecticide field. I will continue to nurture this mindset of nurturing long-term value, as we look ahead to the next decade.

Research and development are dependent on people. At Nihon Nohyaku, we continuously hire both new graduates and experienced young researchers. We actively recruit foreign researchers as well, striving to build global research systems.

The development of agrochemicals is a high-risk business that requires over a decade and research investments on the scale of several billion yen before a product is even launched. Corporate conviction and the ongoing investment of resources over the medium- to long-term are indispensable to sustainably promote these endeavors.

We have maintained our status as a drug discovery-focused agrochemical manufacturer with the ambitious goal of developing a new compound every three years. Of course, there have been failures along the way. However, it is precisely the knowledge, technical skills, and evaluative capabilities accumulated from these experiences that form the Group’s core competence. I also believe that our corporate DNA of a culture that does not fear failure is what will lead to the next breakthrough.

In addition to strengthening our development capabilities, we are also focused on strategically managing the intellectual property that forms the foundation of these

capabilities. The number of patent applications we file globally is steadily increasing, and we are utilizing intellectual property rights not only for “defense” but also as “offensive” asset to generate alliances and technological collaborations.

Our Research & Development Division is more than a team of technicians; it embodies both the imagination to discover the future of agriculture faster than anyone else and the practical mindset to reliably deliver these innovations to farmers. Researchers and local personnel

stand together in the farm fields, coming into contact with issues firsthand and taking on the challenge to develop new products. This attitude, deeply rooted in our company culture, is the source of our value creation. We are confident that the integration of technology and fieldwork in addressing challenges will not only benefit Nihon Nohyaku but also potentially shape the future of agriculture as a whole.

Rooted locally, changing the world

Already, approximately 70% of our sales come from overseas, and our next goal is to increase this to 80%. As global food issues become more serious, we must take on an ever more important role. I hope that we can contribute to future food security by delivering technologies and products that are genuinely useful in the field of agriculture. The key to achieving this lies in developing our businesses in emerging markets such as India and Brazil.

Brazil, the world’s largest agrochemicals market, is seeing demand in the specialty crop\* sector (fruit trees, vegetables, coffee, etc.) comparable to that of the Japanese market (approximately 300.0 billion yen). This is an area where we can make full use of our advanced technological capabilities.

Meanwhile, in India, agriculture is primarily dependent on the monsoon, so there are weather-related risks. However, with the population increasing, the demand for agrochemicals is expected to grow. Recent years have also seen advances in the mechanization of agriculture and the introduction of smart agriculture, making India an important market for accelerating the local use of our products.

We are also focusing on the Middle East and Africa, regions with high potential for future growth. It is predicted that by 2050, most of the world’s population growth will be concentrated in these regions, making the development of agricultural infrastructure an urgent issue. We are already preparing to file local product registrations, and we plan to advance gradually, using the trend toward regulatory easing as a tailwind.

Underpinning our global growth strategy are the global simultaneous development of in-house developed products and a local direct sales system. NICHINO Group currently operates in 17 locations. Rather than relying solely on licensing out, we deploy human capital and establish facilities locally, establishing our own sales channels and brands. This autonomous and sustainable deployment model forms the core of our competitive advantage.

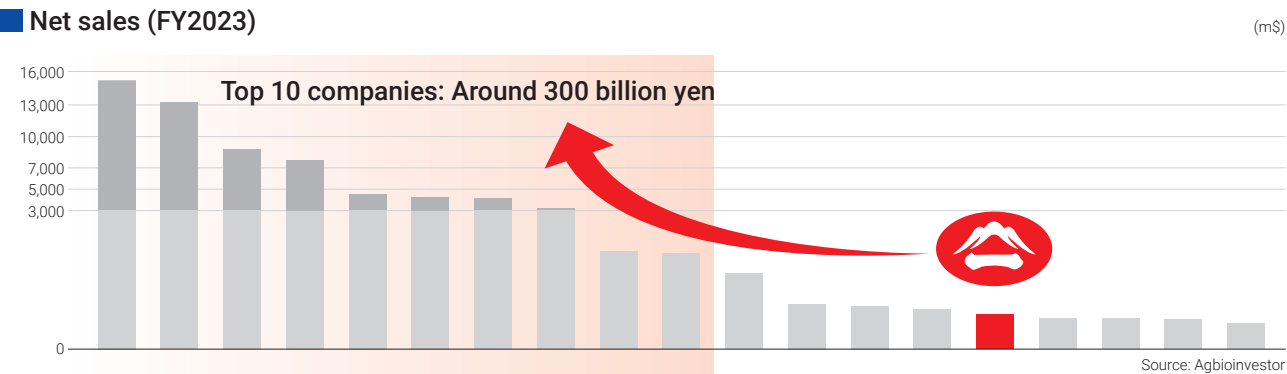
A defining feature of our global strategy is our locally-rooted business model. Sales representatives visit farmers directly, understand the challenges on the ground, and propose the most suitable products. Researchers also work closely with sales personnel to incorporate local needs into product development. By developing products in close connection with local farm operations, we can provide valuable solutions tailored to each region. I am convinced that the insights we gain on the ground, not just abstract strategies, lead to the creation of products that our customers genuinely need.

This system functions through locally-led management. For example, in Mexico, local managers have the authority and responsibility to work on promoting and establishing products. By enabling human capital well-versed in the local culture, business practices, and customer needs to take the lead, we achieve localized globalization, or “glocal management.”

From the perspective of development speed, we are also strengthening our “global simultaneous development system.” Conventionally, we would register products in Japan first, then expand them overseas. Under this new system, however, we now concurrently carry out data collection and applications for registration in major markets such as Japan, Europe, North America, India, and Brazil. This system significantly shortens the lead time to market, reducing lost opportunities and maximizing the speed of revenue generation.

In my view, 2030 is merely a stepping-stone milestone in the development of Nihon Nohyaku. Beyond that lies our evolution into a company that provides fundamental solutions to global agricultural challenges. By 2050, the world population is expected to exceed 9.7 billion, increasing the risk of food shortages. As a comprehensive agricultural technology company, we are determined to contribute more broadly to society through technology, data, and services, and we look forward to your support.

\*Specialty crops: According to the U.S. Department of Agriculture (USDA), these are crops primarily grown for food or ornamental purposes, such as fruits, vegetables, nuts, flowers, and herbs. In contrast, row crops refer to staple crops suitable for large-scale mechanized cultivation, planted in rows, such as corn, soybeans, wheat, and cotton.





## Commitment of Top Management

### Supporting the sustainability of the pesticide business by enhancing non-financial value

Agriculture is an “artificial endeavor” between nature and humans, and agrochemicals are a technology that supports this endeavor. Balancing the sometimes conflicting challenges of increasing food production and harmonizing with ecosystems, we have pursued the potential of this technology.

Based on this aspect of our business activities, we integrate elements of sustainability—such as the environment, society, and human capital—into our management strategy. In this context, we focus particularly on four areas: the development of eco-harmonized products with low environmental impact; the promotion of natural agrochemicals that contribute to the conservation of biodiversity; workstyle reform, improving engagement, and promoting diversity; and the thorough implementation and reconstruction of health and productivity management and culture for safety.

At Nihon Nohyaku, we view the agrochemicals business not merely as a provider of products but as an essential infrastructure that contributes to the national issue of food security. Given the characteristics of this business, we pursue deeper connections with environmental and ecosystem conservation. In Japan, amid the decline and aging of the agricultural population and the need to consolidate farmland, we focus on supporting the introduction of smart agriculture and biopesticides to achieve efficient and sustainable farming.

We place particular importance on developing technologies in the field of smart agriculture. We aim to leverage the power of technology to help overcome structural challenges in Japanese agriculture, such as labor shortages and climate change. To this end, we contribute to advancing agriculture as an agricultural support company by developing new formulations compatible with drone application and proposing systems that suggest application spraying timing based on field data.

Specifically, we are already developing drone-compatible formulations designed to reduce drift risk, as well as

offering digital services that enable the unified management of application histories and field information through integration with other systems. We are also building a “smart agriculture co-creation platform” in collaboration with government agencies, JA, and university research institutions, strengthening the systems that support agricultural management from a digital perspective.

The promotion of smart agriculture and the use of ICT exemplify our research and development ethos, which aims to balance eco-harmony and productivity enhancements. Through technologies that optimize the use of fertilizers and agrochemicals, as well as data-driven agricultural support, we strive to leverage sustainability in our management, not merely as a constraint but as a source of differentiation.

We have also incorporated ESG items into the goal-setting process for all employees, to practice the creation of non-financial value across the entire organization. This has begun to cultivate a culture where sustainability is perceived not just as a “management issue” but as a personal concern. Corporate value cannot be measured by financial performance alone. In my view, our earnest efforts to address sustainability—such as engaging in workstyle reform and other non-financial challenges—are crucial elements that enhance engagement and build long-term competitive strength and social trust.

In 2024, an accident occurred during operations at one of our plants. As the top executive, I regard every accident as a personal responsibility. Employee safety and health are the foundation of any company, and should be prioritized above all else. We are working to reconstruct the culture for safety on a company-wide basis. This attitude is symbolized in the Safety Management Declaration we issued this year. We perceive the health and well-being of each employee, as well as workplace safety, as the foundations that support corporate survival.

accountants, and experienced corporate executives. Additionally, four of the six Outside Directors are women, which we believe is significant from the perspective of promoting diversity.

By operating the Governance Committee, which is led by Outside Directors, and holding meetings to exchange

### Trust and autonomy support corporate value

At Nihon Nohyaku, we continuously work to strengthen corporate governance as a foundation for the sustainable enhancement of corporate value. In FY2025, a majority of members of the Board of Directors (six out of eleven members) are Outside Directors, including human capital from diverse backgrounds such as lawyers,



views exclusively among Outside Directors, we are enhancing the effectiveness of our management oversight system. We are also working on implementing effectiveness evaluations and reviewing the executive performance evaluation system to improve the quality of discussions at meetings of the Board of Directors, as well as developing the decision-making and value-creation cycle to be more transparent and agile.

Additionally, we are implementing stronger monitoring by Outside Directors and enhancing the Sustainability Committee's review structure as mechanisms to enable the integrated management of our progress against both ESG and financial targets. This will improve the visibility of non-financial information at the Board level, enabling management decisions that prioritize sustainability.

Meanwhile, from the perspective of capital efficiency, we recognize that improving the PBR (price-to-book ratio) is an important management issue. As we aim for the sustainable enhancement of corporate value, it is our responsibility as senior managers to link the company's

strengths to profitability. We endeavor to achieve more radical management of the cost of capital by improving ROE. We aim to enhance long-term shareholder value through initiatives such as expanding the ratio of in-house products, reducing costs, and developing highly profitable markets.

As the listed subsidiary of a publicly listed company, we emphasize transparency and independence in our relationship with our parent company. We maintain a distance in terms of business, personnel, and capital, and engage in strategic technological collaborations based on economic rationality and consistency. To prevent conflicts of interest that could potentially harm the interests of our shareholders, we have established an internal control system and are committed to fair and autonomous management.

We will continue to promote highly transparent management, balancing sustainability and capital efficiency, while deepening trust with our stakeholders.

### Creating the next 100 years together with society

Society views the agrochemicals industry with a mixture of expectation and concern. We acknowledge this reality and strive to pursue rationalization based on ensuring safety through scientific evidence. At the same time, we engage in the transparent dissemination of information, fulfilling our responsibility as a research and development-driven company.

Nihon Nohyaku has experienced many turning points during its 97-year history, and we are constantly aware of our responsibility to carry that baton into the future. Today, we are entering an era of preparation for the next century of our history. We aim to take on challenges without fear of change, continually reassess our purpose in society, and help to build a better future.

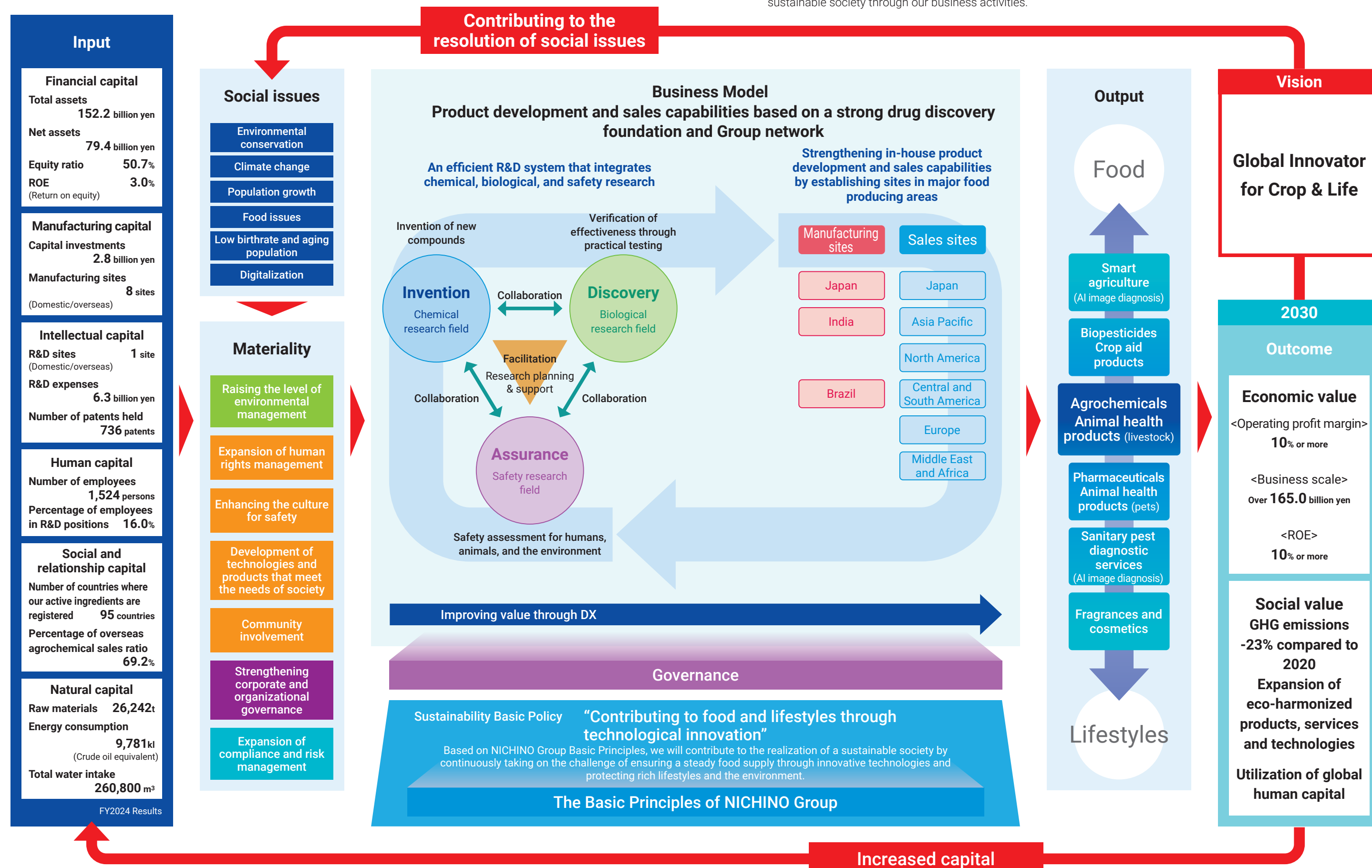
This Integrated Report serves as a tool for accountability to stakeholders, including shareholders and investors. At the same time, it provides a forum for dialogue: a place to share the Group's values. It is also a message for young employees who will shape the future and for those whom we may meet in the future.

The field of agriculture has the potential to change the world. We will continue to forge the future with a firm belief in this potential.

Inspired by the feedback and expectations of those who read this Integrated Report, we will continue to evolve. I look forward to your continued support and understanding.

# Value Creation Process

NICHINO Group has pursued technological innovation in its core business involving the research, development, manufacture, and promotion of agrochemicals, with the mission of ensuring a safe and steady food supply and improving the quality of life for all. In promoting sustainability management, which is the basic strategy of the medium-term management plan launched in FY2024, we have reassessed the Group's raison d'être, revised part of our Basic Principles and Action Charter, and established our Value Creation Process. As a "Global Innovator for Crop & Life," we will take on the challenge of creating new value by providing advanced technologies and contribute to achieving a sustainable society through our business activities.





## Value Creation Process

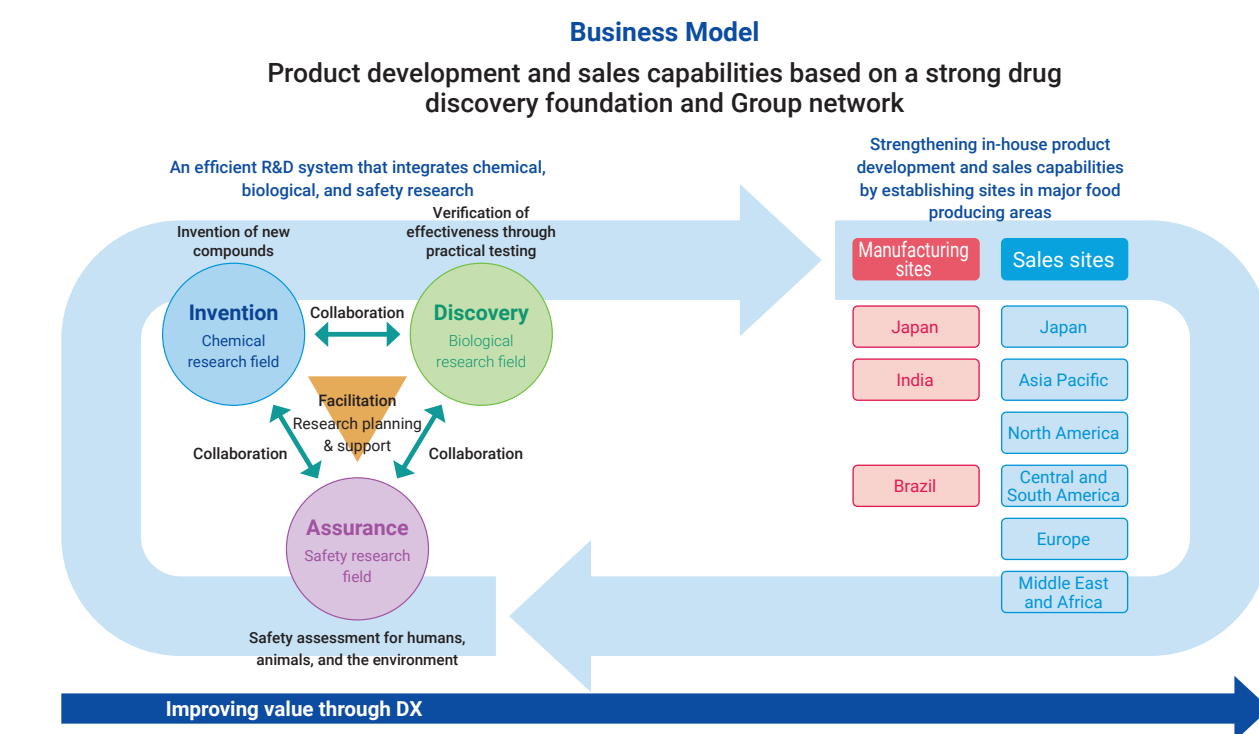
NICHINO Group's vision is to be a "Global Innovator for Crop & Life." We have established our Value Creation Process by integrating the six forms of capital we have accumulated, our Seven Priority Issues (Materiality) based on the resolution of social issues, and a unique business model that drives these elements to achieve our vision.

The Group's strength lies in our "four-in-one" research and development system and our manufacturing and sales sites, which are connected through a strong network enabled by globalization and localization. Based on this strong network, we effectively utilize cross-cutting systems that bridge Group companies and business sectors, enabling the analysis and sharing of detailed information on market and value chain trends in real time. Based on this information, we implement strategic responses that enable the continuous technological innovation of new crop aid products and new business areas, creating new value. As a result, we

will contribute to enriching people's diets and lifestyles, providing new economic and social value, as well as achieving the ideal business model that we envision for the Group.

This Value Creation Process is built on the Group's Basic Principles, in the context of our Sustainability Basic Policy, as well as a governance system that appropriately promotes these principles, our DX initiatives linked to workstyle reform, and the human capital that is the source of these initiatives. The Group's values include customer satisfaction and social contribution. To achieve these values, we visualize three elements—"unique technology," "globalization & localization," and "entrepreneurship"—as the Nichino HC (Human Capital) Values. The combination of these elements further strengthens our unique strengths, leading to value creation.

### Business Model of NICHINO Group



### Values of NICHINO Group



## Medium-Term Management Plan

At NICHINO Group, we have accurately captured the structural changes that have surrounded the agriculture and agrochemicals industries since the 2000s, and we have continued to evolve our businesses. Challenges such as an aging population, a shortage of workers, climate change, and increasingly intense international competition raise fundamental questions about the way agriculture is carried out. At the same time, these challenges present us with opportunities to create new value.

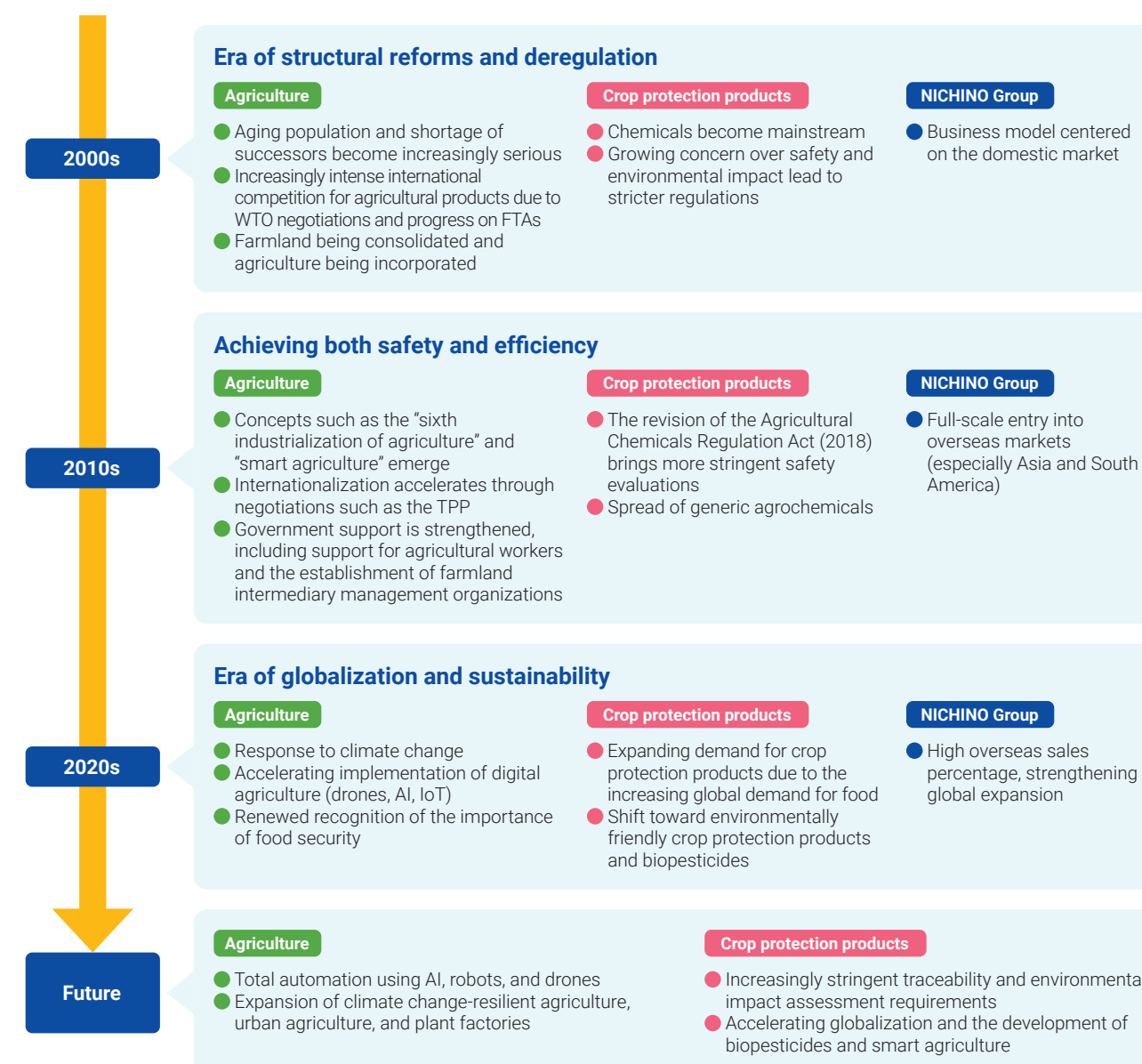
Based on these changes in the environment, we launched our new medium-term management plan, "Growing Global for Sustainability (GGS)," in FY2024. Our basic policy under the plan is to enhance our competitiveness in the global market while fulfilling our responsibilities toward the environment and society.

Specifically, our key strategies include the development and deployment of eco-harmonized products, biopesticides, and crop aid products, the promotion of smart agriculture, and expansion into growth markets such as Asia, Latin America, the Middle East, and Africa. We believe that these are our responsibilities that extend beyond business expansions to include achieving sustainable agriculture.

We are also focused on enhancing ESG-oriented management by strengthening human capital, promoting DE&I, and reducing GHG emissions. These initiatives are directly linked to enhancing corporate value and earning social trust, and they serve as the foundation for the Group's long-term growth.

By embracing change without fear and continuing to take on challenges, we will contribute to the future of agriculture and the sustainability of the Earth.

### Changes in the Environment for NICHINO Group



Medium-Term Management Plan

History of the Medium-Term Management Plan

	SFP2009 (2007–2009)	CT2012 (2010–2012)	SGG2015 (2013–2015)
Plan name	Step Forward Plan 2009	Change Tomorrow for 2012	Shift for Growing Global 2015
Positioning	Strengthening business competitiveness and expanding earning capacity Preparatory period for the transformation into a core agrochemical company	Expanding into a global niche chemical company Driving transformation toward the next stage of growth	Shifting toward growth Balancing product development and business development
Basic policy	① Qualitative transformation ② Profit expansion	① Transformation of corporate structure ② Reconstruction of core functions ③ Clarification of growth engines	① Promotion of growth strategy ② Pursuit of high profitability structure ③ Business expansion initiatives
Plan	Net sales      Approx. 42.4 billion yen Operating profit      4.2 billion yen	Net sales      Approx. 42.5 billion yen Operating profit      3.5 billion yen	Net sales      Approx. 57.0 billion yen Operating profit      5.6 billion yen
Achievements and challenges	● Strengthened overseas sites (Europe, Taiwan) ● Launched flubendiamide and metaflumizone ● Improved profitability	● Strengthened overseas sites (established sites in China and South Africa), clearly positioning overseas sales as a growth engine ● Launched pyrifluquinazon ● Encountered challenges in strategic plan formulation and execution and growth potential	● Strengthened overseas sites, developing manufacturing sites (India and Brazil) and acquiring AgriMart ● Acquired orthosulfamuron and launched pyflubumide ● Encountered delays in expense optimization and high inventory levels

In the 1990s, we progressively pursued management rationalization measures and industry restructuring strategies aimed at fundamental structural reforms to address changes in the internal and external environment for our agrochemicals business. Since the 2000s, we have made diverse achievements centered on the steady promotion of our global strategy, particularly through the formulation of basic policies under our medium-term management plans (three-year plans) and our systematic efforts to implement business expansion measures (see table below). These historical changes and achievements play an important role as the foundation for the strategic advancement of our current medium-term management plan, GGS.

	AGG2018 (2016–2018)	EGG (2019–2021)	EGG2 (2021–2023)
Plan name	Advance to Growing Global 2018	Ensuring Growing Global 2021	Ensuring Growing Global 2
Positioning	Advancing to be a global company Early profit contribution and the improvement of earnings through proactive measures	Strengthening the foundation of Growing Global ESG initiatives and digitalization	Strengthening the foundation of Growing Global Enhancing global competitiveness
Basic policy	① Promotion of growth strategy ② Earnings improvement ③ Strengthening of the business base	① Improvement of profitability ② Enhancement of Group strength ③ Reforming corporate culture	① Improvement of profitability ② Technological innovation and establishment of next-generation businesses ③ Sustainable growth in corporate value ④ Strengthening of environmental, human rights, and governance initiatives
Plan	Net sales      Approx. 90.5 billion yen Operating profit      Approx. 12.0 billion yen	Net sales      80.0 billion yen Operating profit      6.0 billion yen Percentage of overseas sales      64%	Net sales      89.0 billion yen or more Operating profit      6.4 billion yen or more
Achievements and challenges	● Strengthened overseas sites (Vietnam and Central America) and launched a capital and business alliance with ADEKA ● Launched pyraziflumid ● Encountered sluggish profitability growth in investment projects	● Promoted CSR management and implemented business reforms ● Acquired registration for benzpyrimoxan ● Need to further strengthen ESG initiatives	● Reached 100.0 billion yen in net sales and established a foundation for ESG management ● Launched FROST BUSTER (frost protection product derived from natural ingredients) ● Profitability declined due to investments and soaring costs

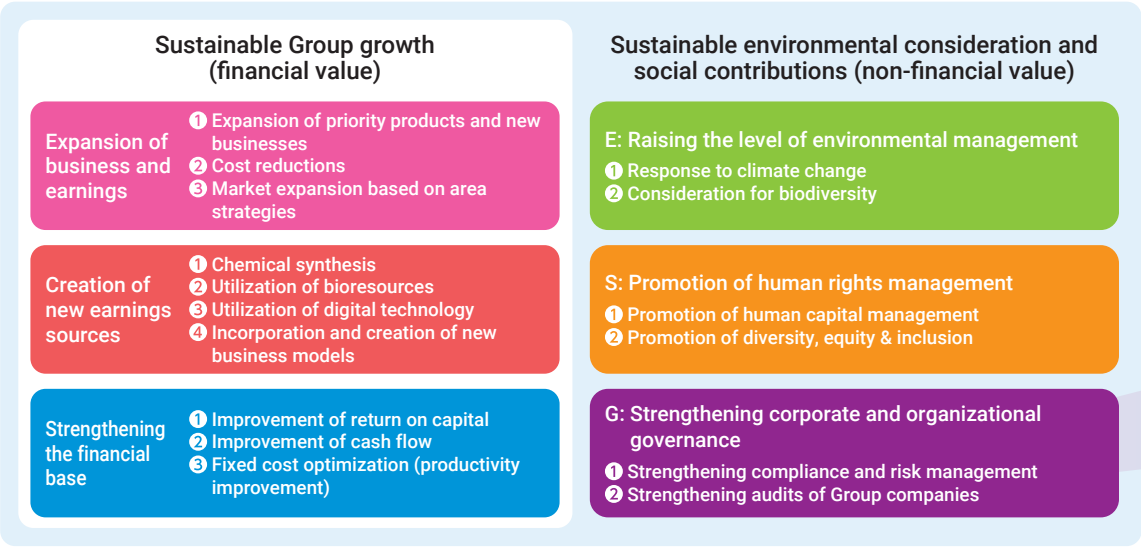
Current Medium-Term Management Plan

Growing Global for Sustainability (GGS)

Basic policy

As the global agrochemicals market continues to grow, we will aim for sustainable growth with a consciousness of investment efficiency

Priority Measures





Growth Strategy



Yasuhiro Fujita  
Executive Officer  
Deputy Division Manager,  
Corporate Planning Division  
General Manager, Corporate  
Planning Department

Ideal business model for 2030

- Widespread social recognition as a life science company: the “Global Innovator for Crop & Life”
- Advanced development of new agrochemicals and non-chemically synthesized crop science products, expansion into related businesses, stronger global expansion, and a diversified business portfolio
- Achievement of financial targets (net sales exceeding 165.0 billion yen, operating profit exceeding 16.5 billion yen, an operating profit margin of 10% or more, and ROE of 10% or more)
- Stronger financial foundation and enhanced non-financial value in the areas of environment, human rights, and governance, contributing to the resolution of social issues

Challenges to achieving our vision

Achieving our ideal business model for 2030 will require us to address multiple challenges. Reducing costs is an urgent task in the face of cost pressures from soaring raw material prices and currency fluctuations. Accelerating research and development aimed at technological innovation and monetizing next-generation businesses is also important, but we face the challenge of delays in development due to stricter regulations. We must leverage AI to monetize smart agriculture, reduce fixed costs through digital transformation (DX), and improve our financial health. Moreover, by deepening human capital management and ESG initiatives, we aim to strengthen global expansion and reforms to enhance corporate value.

Results for FY2024 (fiscal year ended March 31, 2025)

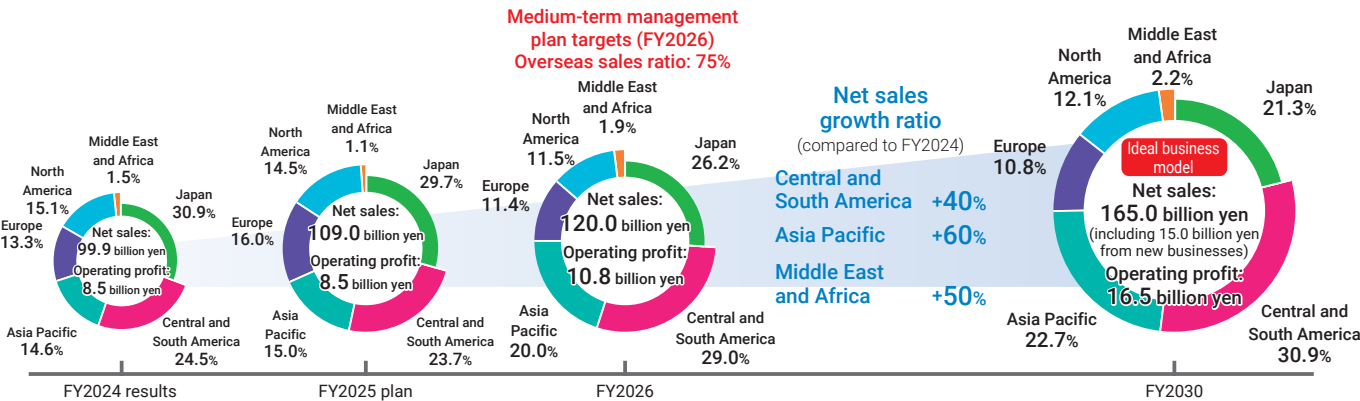
Net sales decreased by 3.0 billion yen year on year to 99.9 billion yen, but operating profit increased by 1.1 billion yen to 8.5 billion yen, indicating an improvement in profitability. Profits were boosted by the expansion of overseas agrochemicals sales, a decline in raw material prices, and the effect of yen depreciation. At the same time, however, a decline in profit in the pharmaceuticals business and increased selling, general and administrative expenses weighed on earnings. Domestic agrochemical sales increased due to a strong performance from Corteva products. The percentage of overseas sales remained high at 69.2%. The expansion of priority products and the introduction of new products proved successful, and we made progress in building the foundation for next-generation businesses.

Plan for FY2025 (fiscal year ending March 31, 2026)

We forecast net sales of 109.0 billion yen (up 9.0 billion yen year on year). We aim to steadily grow our main agrochemicals business both domestically and internationally, targeting overseas sales of 76.6 billion yen (up 7.3 billion yen) and domestic sales of 24.4 billion yen (up 1.0 billion yen). Operating profit is expected to remain little changed at 8.5 billion yen. We plan to maintain this level of profit even as we strengthen research and development investment aimed at future growth. We forecast ordinary profit of 7.3 billion yen (up 0.2 billion yen), while profit attributable to owners of parent is expected to increase to 5.0 billion yen (up 2.6 billion yen), showing a steady improvement in profitability. The provision of technical know-how and the pharmaceuticals business will also contribute to revenue expansion as we aim for sustainable growth.

Growth Centered on Overseas Markets

We have set a targets including net sales of 165.0 billion yen and operating profit of 16.5 billion yen by FY2030. To this end, we are strengthening business development in each region and aiming to balance profitability and growth in markets including Japan, Central and South America, the Asia-Pacific, the Middle East and Africa, North America, and Europe. In the medium term, we plan to achieve sales of 120.0 billion yen and operating profit of 10.8 billion yen by FY2026. We aim to grow steadily, step-by-step, expanding our global business foundation and enhancing corporate value.

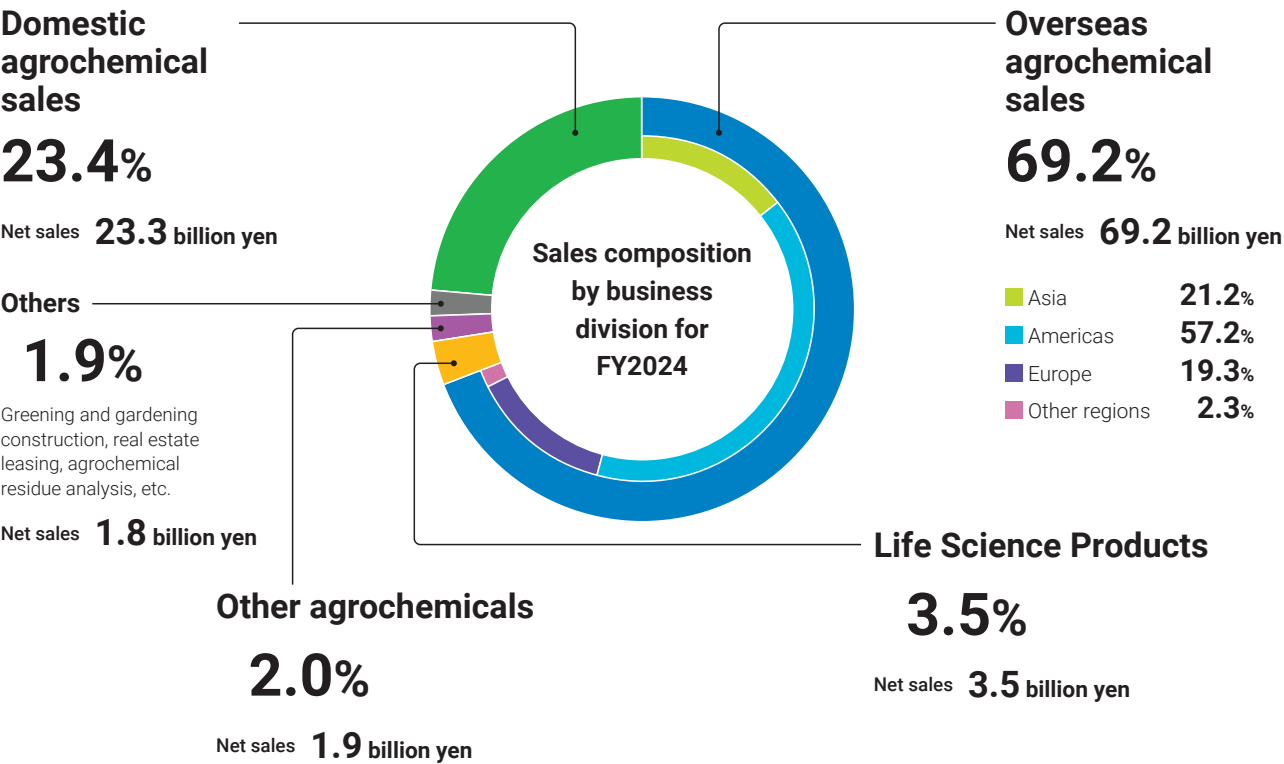


\*The pie graph for FY2030 has been prepared based on 150.0 billion yen for the agrochemicals business.

Enhancing the Business Portfolio

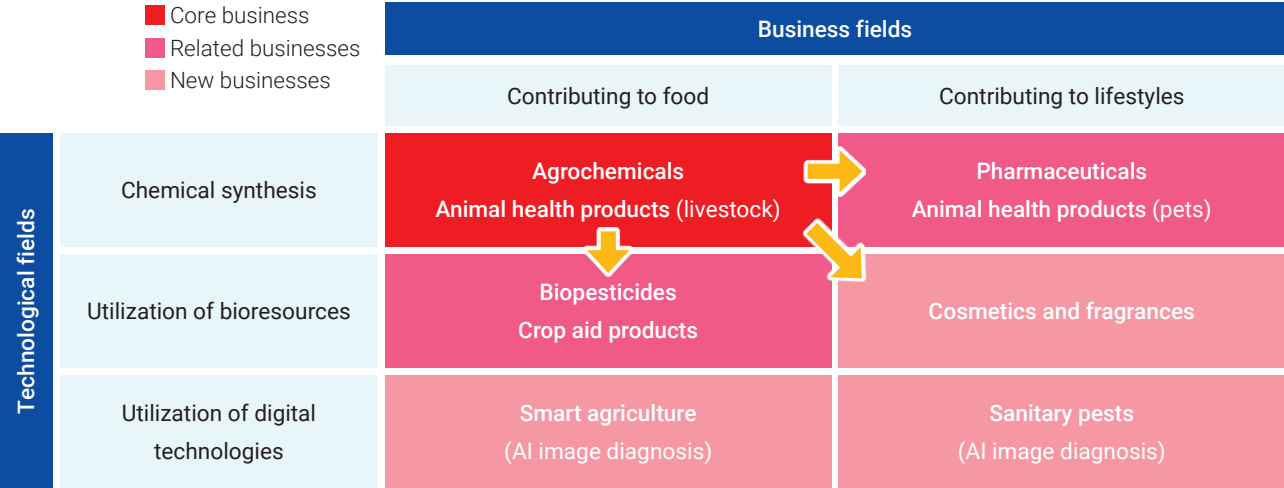
● Current business portfolio

In FY2024, the sales composition by business division shows that the agrochemicals business, which is directly linked to the stable global production and supply of crops, accounted for 92.6% of net sales (23.4% domestic, 69.2% overseas), making it the core business of NICHINO Group. The other businesses (accounted for the remaining 7.4%) are mainly conducted by Group companies in Japan (see the diagram below).



● Expanding business fields

We have spent many years cultivating synthesis technologies and safety evaluation expertise in the agrochemicals business, and we are now leveraging these strengths to expand our business fields. Applying this technological base enables us to promote the development of agricultural materials with low environmental impact and bio-sourced products, helping to achieve sustainable agriculture. We are also working on expanding into the healthcare and high-performance materials sectors, aiming to create new value that addresses social challenges. Moving forward, we will continue to enhance our existing businesses while taking on challenges in new fields, thereby enhancing corporate value and achieving sustainable growth.



Financial Strategy



Shiro Takahashi  
Managing Executive Officer  
Division Manager, Corporate  
Planning Division  
Division Manager,  
Administration Division  
Special Projects Officer

Message from the Division Manager

At Nihon Nohyaku, we are implementing a financial strategy that will achieve both capital efficiency and growth, aiming to sustainably generate corporate value. We ensure that the cost of capital is thoroughly factored into our decision-making, and pursue an optimal balance of growth investment, shareholder returns, and financial soundness. Even in this rapidly changing business environment, we aim to seize future growth opportunities through flexible and agile capital allocation, achieving value creation with a long-term perspective. Looking ahead, we will continue to promote financial management that earns the trust of all our stakeholders.

Toward Corporate Value Enhancement

Financial strategy is a key pillar of management for NICHINO Group as we aim for sustainable growth and corporate value enhancement. In this rapidly changing business environment, we believe that balancing growth investments and shareholder returns through stable cash generation and efficient capital management is the key to enhancing corporate value.

The first pillar of our financial strategy is improving cash flow. By optimizing working capital, reviewing the profit structures of regional subsidiaries, and strengthening our efforts to ensure the collection of accounts receivable, we are progressively working to ensure the stability of free cash flow. This cash flow enables us to steadily accumulate the resources for future investments and returns.

Our second pillar is the optimization of capital allocation. In addition to R&D and capital investments, we also utilize M&A and corporate alliances to

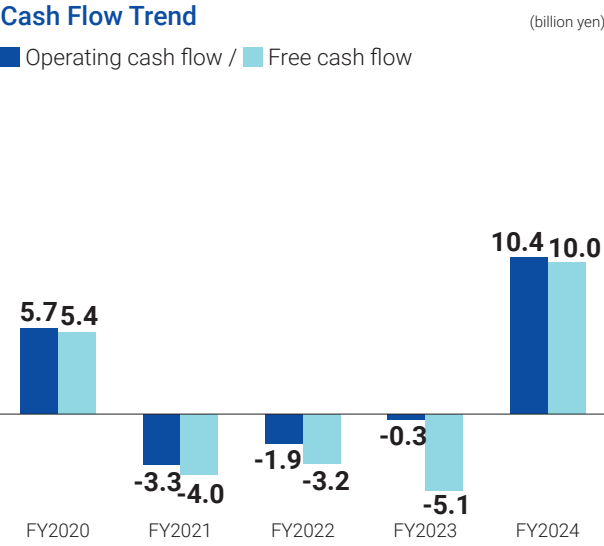
strategically allocate capital to areas with high growth and profitability. When making investment decisions, we focus on the return on invested capital (ROIC) and the cost of capital, emphasizing the need to generate sustainable returns.

The third pillar is enhancing shareholder returns. Our basic policy is progressive dividends. We engage in the stable and ongoing distribution of profits. We plan to gradually raise the payout ratio, targeting a ratio of 50% by FY2030. We are also working to improve our valuation in the capital market by enhancing ROE and strengthening our IR activities.

This financial strategy, together with our business strategy and sustainability policy, serves as the foundation for integrated management decision-making. We will continue to leverage our financial strength to strive for the sustainable enhancement of corporate value.

Improving Cash Flow

The stable generation of cash flow is at the core of our financial strategy as we strive for sustainable corporate value enhancement. We are working to maximize capital efficiency through a combination of improvement measures and structural reforms, based on the current management environment and financial situation. In FY2024, operating cash flow improved significantly to 10.4 billion yen through inventory reduction and a greater focus on the collection of accounts receivable. Especially, the improvements in working capital efficiency owing to the optimization of inventory have contributed to stabilizing cash flow. We also expanded sales of high-margin products and reviewed raw material costs. As a result, operating profit reached 8.58 billion yen, a year-on-year increase of 15.3%. These measures directly enhance our cash-generating capacity. Moving forward, we will focus on structural improvements to enhance the quality and sustainability of cash flow. Specifically, we aim to



advance our inventory management systems to optimize the supply-demand balance globally, improve sales forecasting accuracy, and optimize resource allocation based on an assessment of profitability in our product portfolio. As part of our restructuring measures for Nichino India Pvt. Ltd., we will rebuild the sales structure and

reduce inventory to improve cash flow in the region. Through these efforts, we will improve capital efficiency and strengthen our cash-generating capacity, building a stronger foundation for sustainable growth.

Optimizing Capital Allocation

At NICHINO Group, we emphasize strategic capital allocation aimed at enhancing corporate value over the medium to long term. By prioritizing the allocation of limited management resources to growth areas, we aim to maximize profitability and capital efficiency. Over the three years of our medium-term management plan, we plan to invest approximately 20.0 billion yen in research and development and about 8.0 billion yen in capital investments aimed at expanding sales of our main products, developing new compounds, and strengthening of our manufacturing sites.

Especially, we are increasing our competitiveness in the global market through enhancing our manufacturing framework in growing markets such as India, and investments in eco-harmonized products such as biostimulants and biopesticides. We will also consider M&A and corporate alliances options to boost our growth, making investment decisions that emphasize complementary technology, products, and markets.

We will continue to thoroughly evaluate investments with a focus on ROIC, aiming to generate returns that exceed the cost of capital and maintain a capital allocation strategy that balances growth and profitability.

Capital Allocation for Three Years (FY2024 to FY2026)

Cash in	Cash out	
Operating cash flow + R&D investments 3-year cumulative total: 42.5 billion yen	R&D investments: 20.0 billion yen	FY2024: 6.3 billion yen FY2025: 7.6 billion yen FY2026: 6.1 billion yen
	Capital investments: 8.0 billion yen	Research equipment investments: 1.0 billion yen Production renewal investments: 1.3 billion yen Active investments in production: 3.6 billion yen DX investments: 1.3 billion yen Others: 0.8 billion yen
	Investment and loan limit*: 2.0 billion yen	Main targets: most likely India and Brazil
	Shareholders returns: 6.5 billion yen	Dividend policy (progressive dividends as a basis, dividend payout ratio of 40%)
	Internal reserves: 7.0 billion yen	Net assets that can achieve both financial soundness and improved ROE
External procurement: 1.0 billion yen		

\*Excluding M&As

Shareholders Returns

We regard the stable and ongoing distribution of profits to shareholders as a key management issue. We have decided on an annual dividend of 22 yen per share for FY2024. This translates to a dividend payout ratio of 73.2%. Under the medium-term management plan, our basic policy is to maintain a progressive dividend, aiming to achieve a payout ratio of 50% by FY2030.

In addition to strengthening returns linked to profit growth, we are focused on maximizing shareholder value through improved capital efficiency. We aim to enhance expected returns by strengthening earning capacity,

centered on higher ROE, and steadily executing our growth strategies to achieve a sustainable increase in the PBR (price-to-book ratio).

Moving forward, we will continue to maintain an appropriate balance between internal reserves and shareholder returns. We will secure the funds for growth investments while ensuring the sustainable improvement of corporate value and optimizing returns for our shareholders.



Marketing Strategy



Hiroshi Okumura  
Senior Executive Officer  
Division Manager, Market  
Development Division

Message from the Division Manager

At NICHINO Group, we pinpoint the needs to control pests, plant diseases, and weeds that threaten stable food production. Leveraging the strengths of our active ingredients, backed by results, we strive for further expansion in the global market. Through proactive information sharing and idea generation with Group companies operating in key markets worldwide, and by planning and executing marketing strategies from a market-driven perspective, we aim to achieve sustainable growth and build trusted brands.

Ideal business model for 2030

- The functions of development, registration, and marketing are progressively strengthened across NICHINO Group, creating a system that can organically promote our own active ingredients and introduced products
- Strategies for active ingredients/formulations and crops are planned and implemented based on market research and data
- This enables us to better meet the needs of agricultural producers and enhance recognition of the NICHINO brand

Challenges to achieving our ideal business model

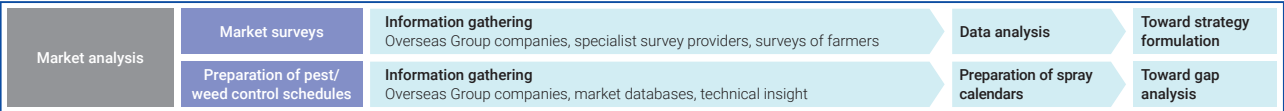
- **Strengthening our marketing strategy through selection and focus**  
Improving and updating the strategy of our five key priority products\* so that they contribute at least 25% of net sales
- **Strengthening the global simultaneous development of our developed products**  
Promoting the Global Strategy Project (see TOPICS 1), utilizing project management tools, and strengthening global collaboration through the expansion and use of digital platforms
- **Cultivating a market-driven approach**  
Developing and implementing crop- and country-specific strategies for the development and introduction of new products, generating 4.0 billion yen in sales from new development  
Conducting marketing training for the marketing, development, registration, sales, and research departments under the slogan “Everyone is a marketer,” strengthening proposal activities based on market analysis by each department
- **Responding to changing market needs**  
Launching biopesticide and biostimulant products and achieving 5.0 billion yen in sales from these product lines  
Expanding our portfolio of eco-harmonized products (see TOPICS 2)

\*Benzpyrimoxan, flubendiamide, pyrifluquinazon, tolfenpyrad, and pyraflufen-ethyl

FY2024 results	FY2025 plan
<div>● <b>Global/local development</b></div> <div>• Promoted the label expansion of our active ingredients to different countries and crops, and promoted the development of mixtures</div> <div>• Decided to introduce and develop microbial fungicides and insecticides</div> <div>• Introduced the insecticide dicloromezotiaz and launched it in the domestic market</div>	<div>• Pursue the selection and development of high-quality ideas generated from a market-driven perspective</div> <div>• Promote the global development of new products in the pipeline</div> <div>• Maintain the registration of existing products by responding flexibly to regulatory trends</div>
<div>● <b>Infrastructure development</b></div> <div>• Introduced project management tools</div> <div>• Launched and expanded our information-sharing platform</div>	<div>• Utilize the management tools for global simultaneous development</div> <div>• Enhance the functionality of our information-sharing platform and utilize it</div>

Promoting a Market-driven Perspective and Global Development

At NICHINO Group, we identify gaps in our product portfolio based on market research and data analysis, and pest control calendars for each country and crop. We formulate and drive strategies for new product development and launch, as well as strategies to differentiate our products from those of our competitors, including generic alternatives. By utilizing our information-sharing platform and portal site, we consolidate knowledge from various countries and promote horizontal deployment on a global scale. We are also advancing the development of biopesticides and other eco-harmonized products, contributing to global expansion and sustainable agriculture.



TOPICS 1 Global Strategy Project (GSP)

Launched in 2021, this initiative has formed cross-departmental and cross-regional teams to strengthen and expand our global businesses. It has established mechanisms and procedures not only in marketing, product development, and registration strategies but to facilitate the utilization of financial and human capital, as well as creating operational synergies. Moving forward, we will further develop and deepen these endeavors.

A GSP workshop



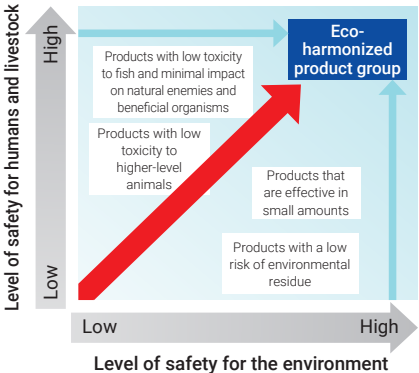
TOPICS 2 Strengthening the Development of Eco-harmonized Products

We work to contribute to global food production by developing environmentally friendly agrochemicals that mitigate the impact on ecosystems and reduce residue levels. Currently, we are striving to expand sales of the products we define as “eco-harmonized products,” which are relatively safe for humans, animals, and the environment. In FY2024, sales of eco-harmonized products reached 34.7 billion yen, and we are targeting sales of 39.3 billion yen by FY2026. We will continue to develop products that minimize environmental impact.

Eco-harmonized Products

\*Included in our key priority products

Agrochemicals (eco-harmonized)	Tiadinil	Flutolanil
	Fenoxanil	Pyraziflumid
	Isoprothiolane	Buprofezin
	Pyraflufen-ethyl*	Flubendiamide*
	Fluorimide	Orthosulfamuron
	Pyflubumide	Benzpyrimoxan*
	Inorganic copper	
Biopesticides	Microbial pesticides	Biological extracts
Crop aid products	Biostimulants	Supercooling agents



# R&D Strategy



Shinsuke Fujioka  
Executive Officer  
Deputy Division Manager,  
Research Division  
General Manager, Research  
Center

## Message from the General Manager

Progressively more stringent agrochemical registration requirements have made it more difficult to develop new agrochemicals. Despite these difficulties, as a Research and Development (R&D)-driven company, we continue to pursue our target of creating a new active ingredient every three years, challenging ourselves to generate new value. By effectively leveraging our activity and toxicity prediction AI tools and data-driven drug discovery systems uniquely developed incorporating cutting-edge IT and DX technologies, as well as the network we have established with our overseas Group companies, we aim to create eco-harmonized products that meet the needs of the next generation as a global innovator.

## Ideal business model for 2030

- We are continuously developing and advancing leading-edge drug discovery technologies. Through a “four-in-one” system that consolidates the three areas of “invention,” “discovery,” and “assurance”—the foundation for creating new agrochemicals—in one place, along with the functions that “facilitate” them, we are advancing drug discovery research aimed at eco-harmonization.
- We leverage AI and data utilization for more efficient drug discovery and expand our global reach.
- These efforts enable us to develop a new active ingredient every three years.
- Leveraging our knowledge and technologies we have developed through agrochemical research and development, we are also creating value in other life science fields and new areas, such as pharmaceuticals, animal health products, and biopesticides.

## Challenges to Achieving Our Ideal Business Model and Measures to Address Them

- **Addressing the increasing difficulty in discovering new chemical structures and the tightening of global registration requirements**
  - Leveraging AI to devise diverse molecular design and safety predictions
  - Utilizing external knowledge through open innovation
- **Responding to the resistant pests, pathogens, and weeds that are emerging in various countries**
  - Rapidly assessing practicality through quick and accurate data acquisition and the introduction of new assessment systems

FY2024 results	FY2025 plan
<ul style="list-style-type: none"><li>● Submitted a paper on the novel mode of action of cybenzoxasulfyl, a broad spectrum insecticide currently under development, to Biochemical and Biophysical Research Communications (BBRC).</li><li>● Added two new projects of compounds to the pipeline and conducted various tests in collaboration with Group companies</li><li>● Established infrastructure for data-driven drug discovery</li><li>● Narrowed down potential animal health products through joint research with ADEKA Corporation</li><li>● Advancing to the development stage of a microbial insecticide</li></ul>	<ul style="list-style-type: none"><li>● Promote data preparation aimed at registration application for cybenzoxasulfyl, together with preparations for the launch of industrial production</li><li>● Continue safety evaluations and process development for two projects of pipeline compounds</li><li>● Further utilize data-driven approaches to improve drug discovery efficiency, safety prediction, and regulatory compliance</li><li>● Decide on the marketability of two biostimulant (BS) products</li><li>● Strengthen product development capabilities through the construction of a formulation development facility</li></ul>

## Basic Policy

We uphold the basic policy of “Safety first and the further pursuit of legal compliance, along with the discovery, nurturing, and achievement of seeds that contribute to a sustainable society.” To this end, we will work on the following items.

- We plan to invest an amount equivalent to approximately 10% of the sales of Nihon Nohyaku Co., Ltd. (approximately 7% on a consolidated basis) in research and development annually, aiming for a total investment of 20.0 billion yen over three years. We will leverage our four-in-one system to create new active ingredients that contribute to a sustainable society.
- Focusing on the field of animal health products, we aim to create synergies through collaboration with ADEKA Corporation.
- There have been cases where chemical substance management was found to violate voluntary standards during internal audits, without necessarily breaching laws or regulations. In light of these cases, we will strengthen employee education to enhance the culture for safety, raise awareness of legal compliance, and respond to regulatory changes.

## Product Development and Sales Capabilities Based on a Robust Drug Discovery Foundation and Global Network

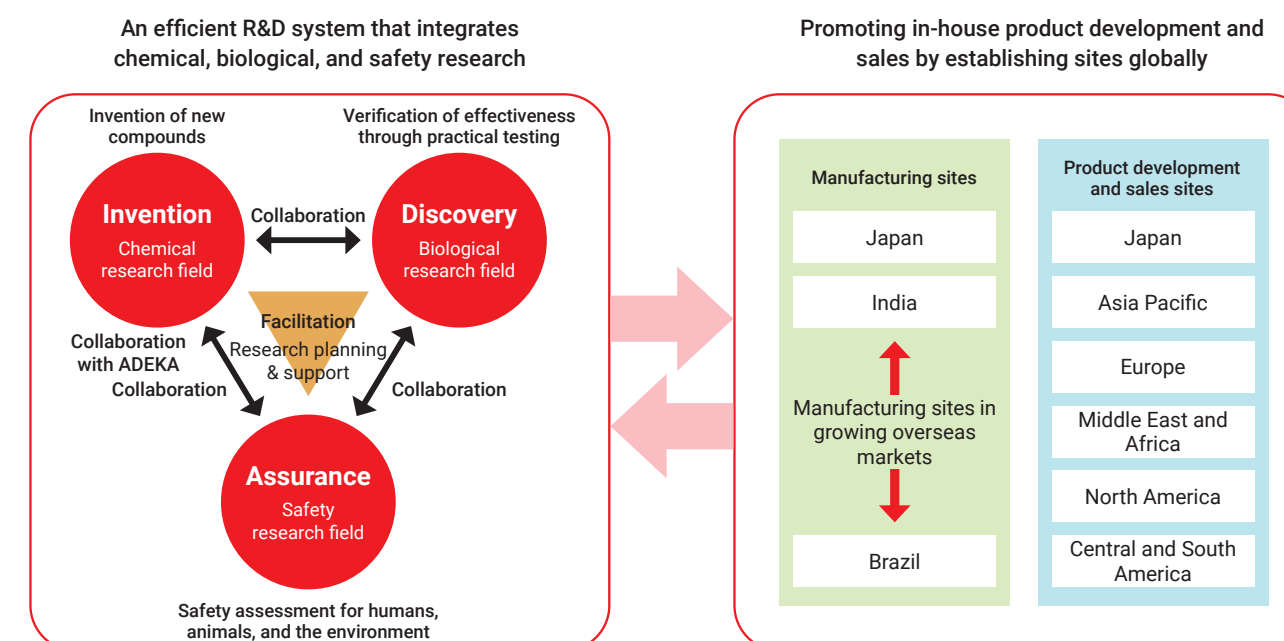
With a robust new agrochemical development platform characterized by our four-in-one approach, we are pursuing the creation of new agrochemicals that achieve high efficacy against pests, disease, and weeds, while reducing environmental impact. By leveraging the latest genome analysis technologies and AI, we aim to develop new agrochemicals that are more effective against target organisms while ensuring high safety for non-target organisms, humans, livestock, and the environment.

Furthermore, to strengthen our global research and development framework, we have reinforced our network with Group companies with sites overseas, establishing a foundation for ourselves as a Global Innovator. In 2021, we registered and launched a new rice planthopper control agent, benzpyrimoxan (trade name: ORCHESTRA), almost simultaneously in Japan and India. This has

accelerated the development of products that meet the needs of rice-cultivating areas in the monsoon regions of Asia.

In addition, we are testing a new broad-spectrum insecticide (cybenzoxasulfyl) in the official field trials conducted by the Japan Plant Protection Association. We are accumulating the effective test results necessary for agrochemical registration application. Moving forward, we aim to expand its application to other countries, starting with South Korea and India.

The integration of this robust drug discovery foundation with our global network serves as a driving force that continually generates new active ingredients, even as the challenges of drug discovery increase. By maintaining a scientific approach and a global perspective, we will continue to support the next generation of agriculture.





R&D Strategy

Well-established R&D System and Outstanding New Product Development Capabilities

One of Nihon Nohyaku's key strengths is the consolidation of all the functions necessary for agrochemicals research and development in our Research Center. By bringing together research capabilities such as synthesis, process chemistry, formulation, biology, and safety in a single location, the Research Center enables our researchers to exchange information on a daily basis, facilitating more efficient research.

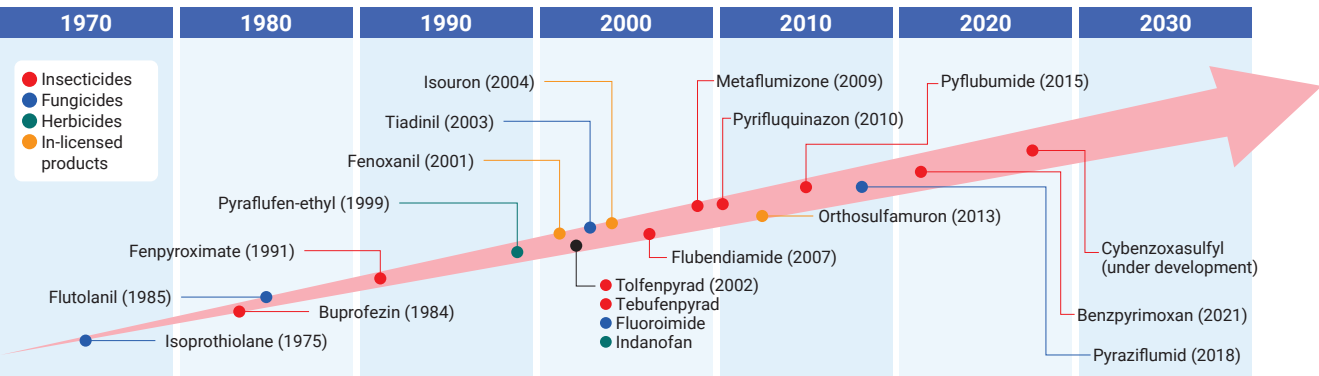
Another feature is our "All-around Screening System." We evaluate a single compound across all fields, including insecticidal, fungicidal, and herbicidal applications, as well as pharmaceuticals. This ensures that even non-target activities are not overlooked and all our efforts can be directed toward development. A good example of this is the insecticide flubendiamide (trade name: PHOENIX). Initially, this research line targeted herbicidal applications, but one researcher noticed a slight muscle contraction effect on lepidopterous pests. Through persistent and diligent exploration, this led to the development of an insecticide that selectively activates the ryanodine receptor in insects. Likewise, the athlete's foot medicines Ianoconazole and luliconazole were originally discovered during fungicide research, but were found to be light-sensitive and unsuitable for

development as agrochemicals. However, due to their exceptional antifungal properties, they were developed into athlete's foot medicines suitable for use in dark conditions, earning high acclaim within the industry.

Achievements in recent years include benzpyrimoxan and cybenzoxasulfyl.

Benzpyrimoxan: This is a new mode of action insecticide for controlling rice planthoppers, launched in 2021. It does not have direct insecticidal activity, so its efficacy cannot be detected using conventional testing methods. However, using our unique evaluation system for molting-inhibitory activity, we discovered a new mode of action agent that disrupts changes in the concentration of ecdysteroids within the body of the insects.

Cybenzoxasulfyl: This is a versatile insecticide intended for the fruit and horticultural sectors, with an agrochemical registration applied in 2025 and registration expected from 2028 onward. It has a novel mode of action that disrupts the movement and feeding functions of pests by inhibiting vesicular acetylcholine transporters within the insect body.



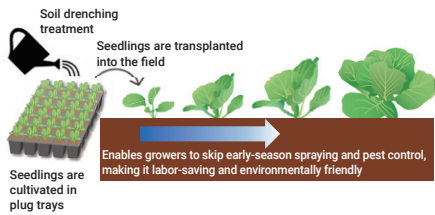
COLUMN 1 The Discovery of Flubendiamide

The discovery of this compound originated from pyrazine derivatives synthesized during herbicide research. Through all-around screening, it was found that these compounds, in addition to their herbicidal activity, exhibited slight insecticidal activity against lepidopterous larvae. Detailed investigation of this effect revealed that it caused a unique symptom of body contraction not observed with conventional insecticides, which greatly intrigued the researchers. To clarify the direct relationship between this muscle contraction effect and the compound's structure, the biological evaluation team conducted painstaking experiments by directly injecting the compound into thousands of *spodoptera litura* individuals. Meanwhile, the chemical synthesis team innovated and conducted extensive experiments, including substituents that had never been used for agrochemicals. As a result, it was discovered that the phthalic acid diamide skeleton exhibited extremely high muscle contraction activity against lepidopterous larvae. Further structural optimization was carried out to separate herbicidal activity, leading to the creation of flubendiamide. Subsequently, the establishment of an innovative synthesis method enabled industrial-scale production, and it was launched on the market as the product PHOENIX in 2007. We have identified this compound as one of the five key priority products under the current medium-term management plan. It contributes primarily to sales in Japan, the Asia-Pacific, and Central and South America. (Left: flubendiamide-treated *spodoptera lituras*; Right: untreated)



COLUMN 2 The Features of Cybenzoxasulfyl

This compound exhibits high insecticidal activity against major pests such as Lepidoptera, Coleoptera, and Hemiptera. With its moderate water solubility and systemic movement, it enables labor-saving and environmentally friendly application methods, such as the soil drenching of plug tray seedlings and bed-grown seedlings. Featuring a mode of action that is novel in the horticultural field, it is expected to serve as a next-generation core insecticide also targeting various resistant pests and contributing to agricultural production. Currently, development aimed at spraying and soil drenching applications is underway in Japan, Korea, India, and other countries, with progressive registrations planned from 2028 and sales projected to peak at 5.0 billion yen.



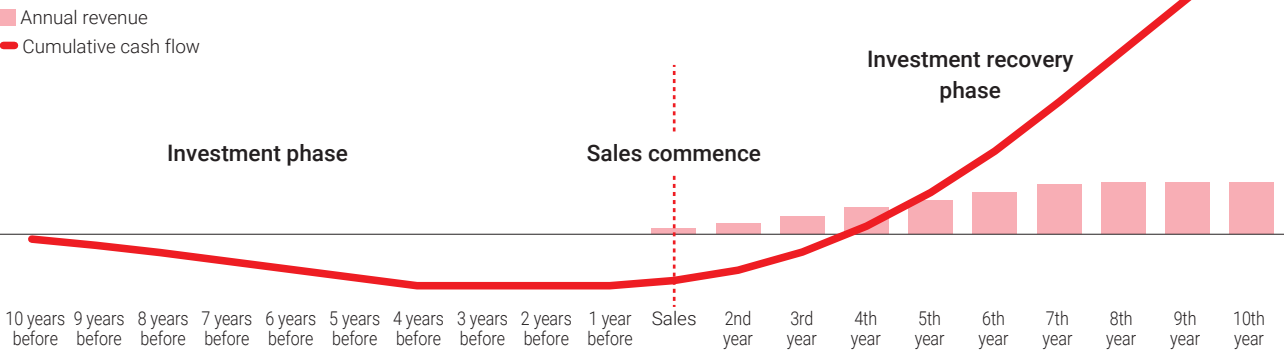
Expanding Business Opportunities Through the Development of Active Ingredients

It takes a long time—over a decade—and massive investments to develop active ingredients. This includes safety testing and commercialization studies. However, by obtaining patents and developing products with unique characteristics, companies can pursue their own distinctive business strategies and generate substantial profits.

Through development, we can also accumulate extensive knowledge and know-how in various fields, such as invention, discovery, assurance, and promotion, creating a positive cycle for the development of other active ingredients in the future. Furthermore, the establishment of sales systems in major agricultural countries can enable us to gain new opportunities in the growing global market.

Illustration of Sales and Cumulative Profit from In-house Development

The cumulative profit estimate only includes direct expenses (it excludes indirect expenses, but includes royalties)



Strategy from the Perspective of Patents

We are currently strengthening our collaboration with Group companies in Japan and overseas, promoting the creation and utilization of inventions on a global scale, and steadily increasing the ratio of overseas patent applications. In this way, by appropriately protecting our inventions through patents, design rights, and other intellectual rights, we strive to maximize and extend their value, thereby enhancing corporate value. We are also advancing the protection of our brand through trademarks. By expanding our products globally under the unified NICHINO brand, we aim to enhance brand

value and increase our presence in the industry. We also aim to enhance company-wide IP literacy by conducting intellectual property awareness activities tailored to each department. This approach not only helps to increase the opportunities for the creation of new inventions but also promotes the effective utilization of the IP landscape, which has recently attracted attention, thereby laying the groundwork for us to leverage intellectual property to pioneer new markets and businesses in the future.

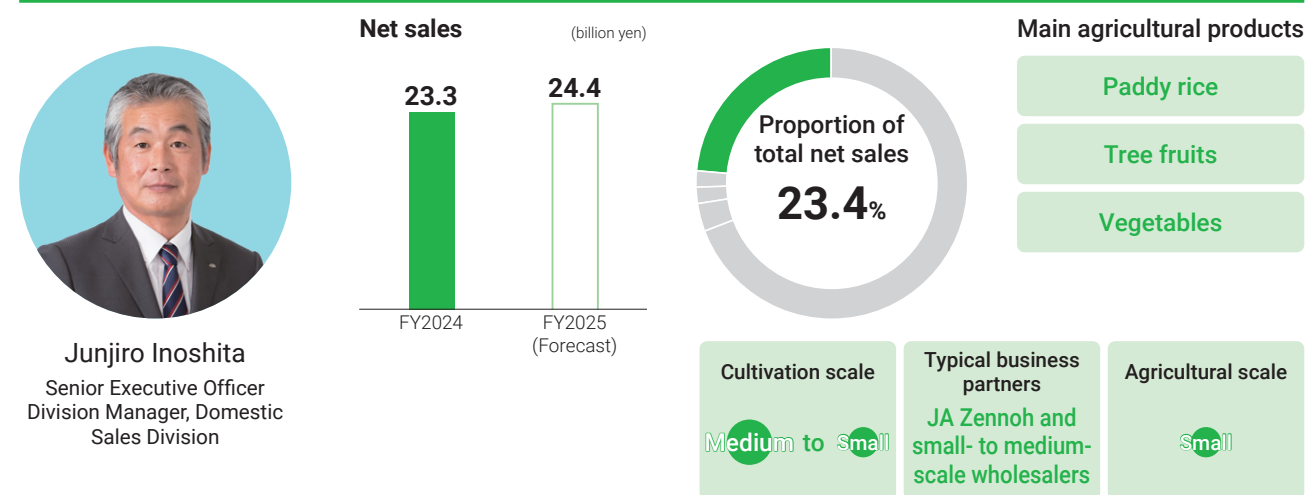
Strengthening the Development of High-safety Eco-harmonized Products

We work to contribute to global food production by developing environmentally friendly agrochemicals that mitigate the impact on environmental organisms and reduce residue levels. Currently, we are striving to expand sales of the products we define as "eco-

harmonized products" based on indicators such as toxicity to mammals, effects on fish and natural enemies, and soil half-life. We will continue to strive to create eco-harmonized products.

# Domestic Agrochemical Business

## Japan



### Ideal business model for 2030

- We meet the diverse needs of our customers through an enhanced product portfolio centered on our own products.
- Good communications are maintained with distributors and producers as we collaborate to address challenges in the agricultural production.
- We lead the domestic agrochemicals market, providing appropriate solutions to environmental changes such as climate change, crop types, and cultivation methods.

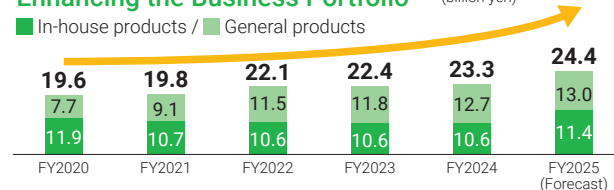
### Challenges to achieving our ideal business model

- Further expansion of the product portfolio aimed at earning the No.1 share in the domestic market
- Continuous development and launch of in-house products, and the introduction of products from other companies
- Responding to changes in industry structure
- Strengthening communication with large corporate producers, which are expected to increase further in the future
- Identifying customer needs, obtaining feedback, and offering solutions
- Building and strengthening relationships with distribution channels through various forms of dealer assistance
- Promotion and sales expansion of eco-harmonized products

### FY2024 Results

- Net sales amounted to 23.3 billion yen (104.0% of the previous year), an increase of 0.9 billion yen year on year. Of these, in-house products accounted for 10.6 billion yen (45.5%) and general products accounted for 12.7 billion yen (54.5%).
- Sales of our in-house products, such as benzpyrimoxan (trade name: ORCHESTRA) and pyraziflumid (trade name: PARADE), and general products such as isoclast (trade names: Exceed and Transform) contributed to this performance.

### Progressive Increase in Revenue from Enhancing the Business Portfolio



### FY2025 Plan

- The sales plan for FY2025 is 24.4 billion yen (104.5% of the previous year).
- We plan to launch new products, including the insecticide Fieldmast, Phoenixmast, which is a mixture with flubendiamide, and V-get paratas, an insecticide-fungicide for rice nursery boxes. We also expect an increase of 1.0 billion yen year on year in sales of general products through the promotion and sale of the Rinskor rice herbicide products (Loyant Emulsion concentration, three Weedcore products, and Novlect Emulsion concentration).

## Our Strengths (Competitive Advantages)

### "Technical sales" initiatives

- We are actively engaged in what we term "technical sales." We define this as the process of understanding on-site issues, proposing and implementing solutions to resolve them, and linking this to product sales. It is crucial to formulate countermeasures in collaboration with the research and development departments (technical skills) and to build good communication and relationships with our customers at agricultural production sites (human skills).
- In practice, three elements are necessary: on-site information, a knowledge of cultivation, pests, diseases and weeds, and a knowledge of agrochemicals. Our strength lies in the collaboration between our research, development, and sales teams to achieve this "technical sales" style.

### Enhancing the product portfolio

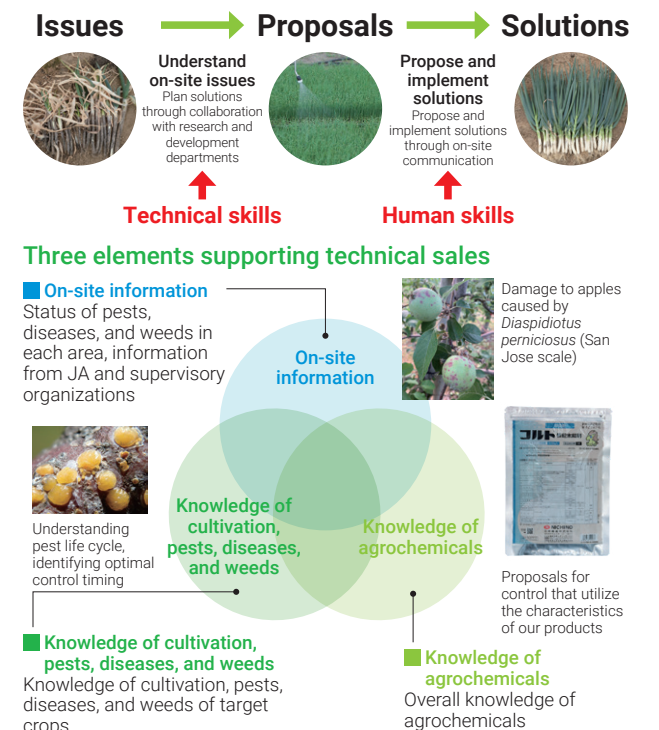
- One of our strengths is our extensive product range, including in-house products. Through this range, we can provide solutions for various crop sectors.
- In addition to Corteva products, which we started selling in 2021, we will begin selling BASF Japan's products for the fruit crop sector in October 2025. This will further enhance our product portfolio and allow us to propose measures to control various pests and diseases that present problems at agricultural production sites.

### Diverse communication utilizing digital tools

- We actively promote direct communication with producers. We have launched YouTube, Facebook, and official LINE accounts to share various information and sales campaigns.
- We also provide pest, disease, and weed control information and contribute to smart agriculture in Japan through the "Diagnose your Crops with AI!" app.

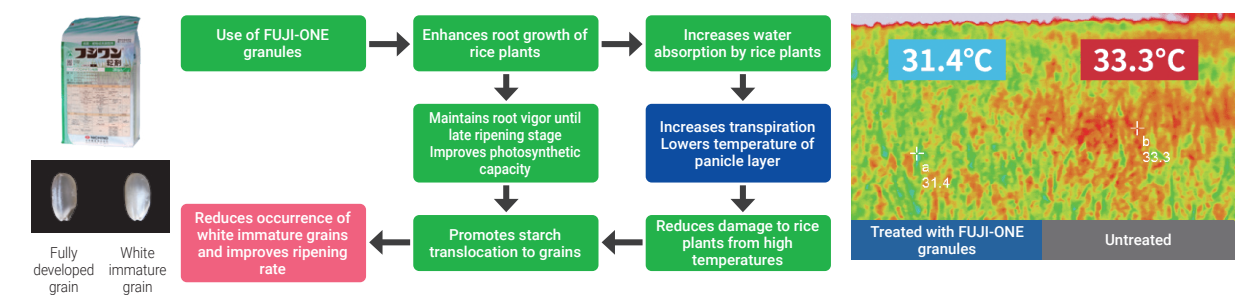
### Approach to major production areas through active ingredients developed in-house, together with a high level of customer trust

- We have strengths in the fruit-growing sector and we also offer a large range of products featuring active ingredient developed in-house. This gives us significant influence over pest and weed control calendars in major production areas. We will further expand our portfolio, as described above, to maintain this strength.
- Nihon Nohyaku, established as the first Japanese agrochemical manufacturer, will celebrate its 100th anniversary in 2028. Our strengths also include our history and tradition, along with the high level of trust from customers, underpinned by our technical sales expertise. We will continue to enhance our presence in our home market.



### TOPICS Providing New Value to Anticipate Change

Declines in both the quality and quantity of rice production, due to high summer temperatures, have become a social issue. We are addressing this social issue through the promotion of the FUJI-ONE series, which is registered for the reduction of white immature grains caused by heat damage, and is celebrating its 50th anniversary of sales. We are also approaching the shift in domestic agricultural policies and the improvement of food self-sufficiency from perspectives beyond pest, disease, and weed control.



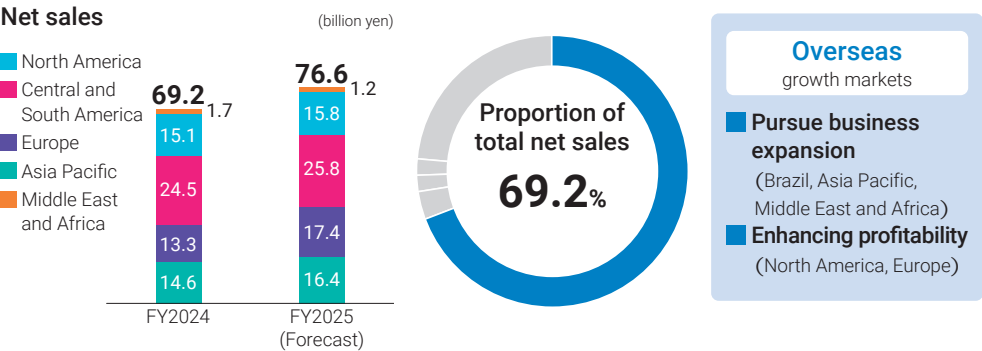


# Overseas Agrochemical Business

## Overseas



**Kazuhiko Motoba**  
Managing Executive Officer  
Division Manager, Overseas  
Division  
Division Manager, Research  
Division



	Main crops	Cultivation scale	Major business partners	Agricultural scale
North America	Soybeans, maize, cotton	Large	Primarily nationwide wholesalers	Large to Medium
Central and South America	Soybeans, maize, vegetables	Large	Wholesalers, agricultural cooperatives, farmers	Large to Medium
Europe	Wheat, barley, potatoes, tree fruits, vegetables	Large to small	A few companies in each country	Large to Medium
Asia Pacific	Paddy rice, tree fruits, vegetables	Medium to small	Small- to medium-scale wholesalers, retail stores	Small
Middle East and Africa	Maize, cotton, tree fruits, vegetables	Large to small	A few companies in each country	Large to Medium

### Ideal State for 2030

- We strengthen our overseas business development, increase our product share in key markets, and drive our growth.
- By advancing our glocal management approach, we supply high-value new products and technologies around the world.

### Challenges to achieving our ideal state

- Enhancing our presence in key markets, including India and Brazil  
Recovery at Nichino India Pvt. Ltd. and profitability improvement at Sipcam Nichino Brasil S.A.
- Strengthening price competitiveness through cost reductions to counter competitor products and generics
- Expansion of eco-harmonized products, including adjuvants\*1 and biostimulants\*2, in major markets
- Strengthening Group company governance to promote glocal management

\*1 Adjuvant: An additive that enhances the efficacy of agrochemicals and fertilizers  
\*2 Biostimulant: A natural or microbe-derived material that helps plants with nutrient absorption and stress tolerance, and promotes growth

### FY2024 Sales Results

In FY2024, net sales amounted to 69.2 billion yen (down 5.5% year on year). Although sales declined year on year due to sluggish growth in India, Nichino America, Inc. and Nichino Europe Co., Ltd. achieved record-high profits, and the profitability of the Brazilian business improved.

**North America**

With resistant weed issues becoming more prominent, our product features aligned with market needs, driving strong sales of pyraflufen-ethyl in Canada

**Europe**

In Southern Europe, high temperatures and dry conditions boosted sales of the acaricides such as fenpyroximate and tebufenpyrad

**Central and South America**

In Brazil, higher demand for fungicides –one of the strengths of our local group company– together with the successful expansion into new segments using our in-house developed products, led to increased sales on a local-currency basis

**Asia Pacific**

In India, sales struggled as heavy rains reduced the opportunities for farmers to apply agrochemicals. Sales were also impacted by the accumulation of inventory from a drought two years ago

### FY2025 Sales Plan

The sales plan for FY2025 is 76.6 billion yen (up 10.6% year on year). In addition to increasing revenue in each region, we will work to improve the profitability of Nichino India Pvt. Ltd.

- North America**

Strengthen sales by expanding into new segments in the United States and grow our business in Mexico
- Europe**

Strengthen sales through the launch of new formulations and expand sales of adjuvant and biostimulant products
- Central and South America**

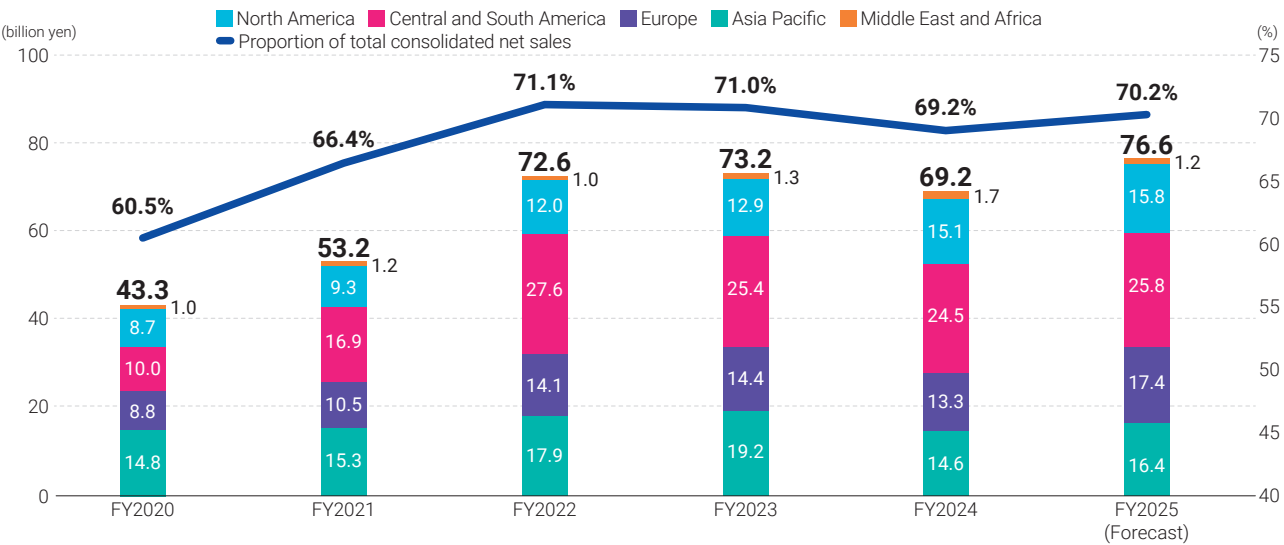
Promote the development of our in-house products and expand sales in Brazil
- Asia Pacific**

Strengthen sales and improve profitability in India
- Implement management improvement measures at Nichino India Pvt. Ltd.
  - Strengthen sales targeting specialty crops and increase the ratio of in-house products at Sipcam Nichino Brasil S.A.

### Strengths (Competitive Advantages)

- The number of active ingredients we have developed in-house is comparable to that of major overseas agrochemical manufacturers, and is the highest among agrochemical manufacturers in Japan. In-house development enables us to set prices, implement sales strategies, and drive sales expansion independently in overseas markets. In particular, we have a strong portfolio of in-house products for horticultural applications –especially tree fruits and vegetables– and a solid track record in their sales.
- Our consolidated subsidiaries in Brazil and India –two of the world's most significant agricultural markets– provide strong manufacturing and sales platforms that enable us to expand the deployment of our in-house developed products in close alignment with local market needs.
- We operate 17 overseas group companies across major markets, and have established one of the largest proprietary sales networks among Japanese agrochemical manufacturers. Our direct sales system, rooted in each region and managed “glocally” by local managers, is one of the strengths of NICHINO Group.
- Around 70% of Nihon Nohyaku's consolidated net sales now come from overseas, supported by our agrochemical registrations in 95 countries and the ongoing expansion of product labels to new crops, pests and diseases based on regional needs.

### Trend in Overseas Agrochemical Sales




### Growth Strategy

- Develop emerging markets, including India, Brazil, the Middle East, and Africa
- Expand our in-house developed products, focusing in the specialty crop sector worldwide
- Strengthen sales of Interagro's products and our collaboration with Ghent University
- Accelerate sales of our eco-harmonized products and capture market share as competitors exit under stricter regulations
- Establish a stable product procurement and supply system through multi-route sourcing, including the shift to in-house production within the Group, and utilize Nichino India Pvt. Ltd. to achieve cost reductions

Overseas Agrochemical Business

Growth Strategies of Our Four Key Overseas Subsidiaries

The growth strategies of our four key overseas subsidiaries are essential to strengthening our overseas agrochemical business.



Dustin Simmons  
President

Net sales (billion yen)

2020	2021	2022	2023	2024	2025(FY) (Forecast)
8.7	9.3	12.0	12.9	15.1	15.8

Main crops

Cultivation scale

Major business partners

Agricultural scale

Soybeans, maize, cotton

Large to Medium

Primarily nationwide wholesalers

Large to Medium


Growth strategy

We have a strong presence in markets for tree fruits, vegetables, and other specialty crops, and we are pursuing deeper market penetration with a focus on products developed in-house. In addition to strong sales of the herbicide pyraflufen-ethyl in the United States and Canada, we are also expanding our business in Mexico through the establishment of a direct sales system. Moving forward, we will continue to drive the overall growth of the Group overseas by expanding sales in the NAFTA region.

FY2025 plan

Net sales are expected to reach 15.8 billion yen (104.8% of the previous year), up 0.7 billion yen, driven by strong direct sales in the United States and Mexico, as well as the sale of the herbicide pyraflufen-ethyl in Canada.

(Exchange rate: 152.16 yen per US dollar for FY2024, 145.0 yen per US dollar for FY2025)



Manfred Hilweg  
Managing Director

Net sales (billion yen)

2020	2021	2022	2023	2024	2025(FY) (Forecast)
5.6	5.4	6.8	7.4	8.8	12.8

Main crops

Cultivation scale

Major business partners

Agricultural scale

Wheat, barley, potatoes, tree fruits, vegetables

Large to Small

A few companies in each country

Large to Medium

Growth strategy

We strengthen our sales activities through our integration with Interagro, by adding their excellent products to our lineup. While Nichino Europe's business in Europe has primarily been BtoB, we are now leveraging Interagro's sales channels and expertise to start direct transactions (BtoC business) with local distributors of agrochemical products in the United Kingdom and Ireland. Moving forward, we plan to expand sales of Interagro's products globally, centered on NICHINO Group's overseas locations.

FY2025 plan

Net sales are expected to reach 12.8 billion yen (144.9% of the previous year), up 4.0 billion yen, supported by strong sales of herbicides such as pyraflufen-ethyl, along with sales of Interagro's adjuvants and biostimulants.

(Exchange rate: 194.64 yen per British pound for FY2024, 190.0 yen per British pound for FY2025)



Alexandre Gobbi  
Chief Executive Officer

Net sales (billion yen)

2020	2021	2022	2023	2024	2025(FY) (Forecast)
9.1	15.9	25.6	23.4	22.6	24.6

Main crops

Cultivation scale

Major business partners

Agricultural scale

Soybeans, maize, vegetables

Large to Medium

Wholesalers, agricultural cooperatives, farmers

Large to Medium

Growth strategy

In Brazil, the world's largest growth market, where future business opportunities are expected, adjustments in distribution inventory are progressing and raw material prices are stabilizing, while the prices of generic agrochemicals are trending downward due to increasingly intense competition. We handle both generic agrochemicals and our in-house developed products, but we will promote a strategy to ensure profitability by increasing the sales contribution from our in-house developed products.

FY2025 plan

Net sales are expected to reach 24.6 billion yen (109.0% of the previous year), up 2.0 billion yen, driven by our focus on sales of insecticides such as buprofezin and fenpyroximate.

(Exchange rate: 27.29 yen per Brazilian real for FY2024, 26.00 yen per Brazilian real for FY2025)



Toshitomo Tanaka  
Chair and Managing Director

Net sales (billion yen)

2020	2021	2022	2023	2024	2025(FY) (Forecast)
8.8	10.3	12.4	12.8	9.2	11.2

Main crops

Cultivation scale

Major business partners

Agricultural scale

Paddy rice, tree fruits, vegetables

Medium to Small

Small-to medium-scale wholesalers, retail stores

Small

Growth strategy


We will continue to implement management improvement measures through enhancing profitability. Specifically, we will restructure our marketing strategies in response to environmental factors, strengthen sales of the insecticide benzpyrimoxan, and reinforce our integrated production and sales system, as well as making improvements to the financial structure. Benzpyrimoxan, an eco-harmonized product, is a vital compound supporting agricultural producers in India, as well as the country's food production. It is manufactured in India by Nichino India Pvt. Ltd., aligns with India's "Make in India" initiative, and contributes to the country's economic development. Moving forward, we will continue the production and supply of NICHINO products and active ingredients and play a part in NICHINO Group's network of production sites.

FY2025 plan

Net sales are expected to reach 11.2 billion yen (121.4% of the previous year), up 2.0 billion yen, as we promote sales of our main in-house developed products.

(Exchange rate: 1.80 yen per Indian rupee for FY2024, 1.70 yen per Indian rupee for FY2025)

Life Science Products Business



Tadashi Tanimoto  
Senior Executive Officer  
Division Manager, Industrial & Pharmaceuticals Sales Division  
General Manager, Smart Agriculture Promotion Department

Net sales (billion yen)

FY2024	FY2025 (Forecast)
3.5	3.8

Proportion of total net sales  
3.5%

Mainstay products

Chemicals (termiticides)

Pharmaceuticals and animal health products (active ingredients for topical antifungal drugs)

Ideal business model for 2030

Through the development of new life science products, we achieve business expansion and contribute to the realization of a sustainable society that maintain rich lifestyles and the environment.

Challenges to achieving our ideal business model

- Maximizing and sustaining profits through the expansion of existing life science products, both domestically and internationally
- Achieving the swift commercialization of high-value-added compounds
- Enhancing our product pipeline by accelerating research on new life science products

FY2024 Results

- Net sales declined by 0.2 billion yen year on year to 3.5 billion yen, due to a decrease in the sales of active ingredients for pharmaceuticals  
Although we successfully acquired new customers for termiticides in the chemicals business, sales of pharmaceutical and animal health products were affected by a drop in the selling price of luliconazole, the active ingredient due to a reduction in the drug price of the topical therapeutic agent for onychomycosis LUCONAC®, and excessive inventory levels of the finished product among distributors.
- Promoted the global development of LUCONAC®  
We launched LUCONAC® in Singapore in July 2024 in collaboration with Sato Pharmaceutical Co., Ltd., and a licensing agreement was concluded aimed at the product's development and commercialization in the Asia-Oceania region, with development also initiated in South Korea.

FY2025 Plan

- Aiming for net sales of 3.8 billion yen, an increase of 0.2 billion year on year, through the expansion of existing products  
Chemicals: For termiticides, we will leverage the technologies of AgriMart Corporation, which help to extend the lifespan of homes, to differentiate our products from competitors.  
Pharmaceuticals and animal health products: To boost sales of our active pharmaceutical ingredients, we will actively promote awareness among potential patients with untreated onychomycosis, thereby expanding the potential market for the treatment. We will also pursue the swift monetization of in the global expansion of LUCONAC®. The negative impact of nail fungus on a healthy lifestyle is not widely known. Through awareness-raising activities, we expect to contribute to the extension of healthy life expectancy.

Total number of people in Japan with onychomycosis (approximately 9.4 million)

Potential patients (approximately 8.0 million)

People receiving treatment (approximately 1.4 million)

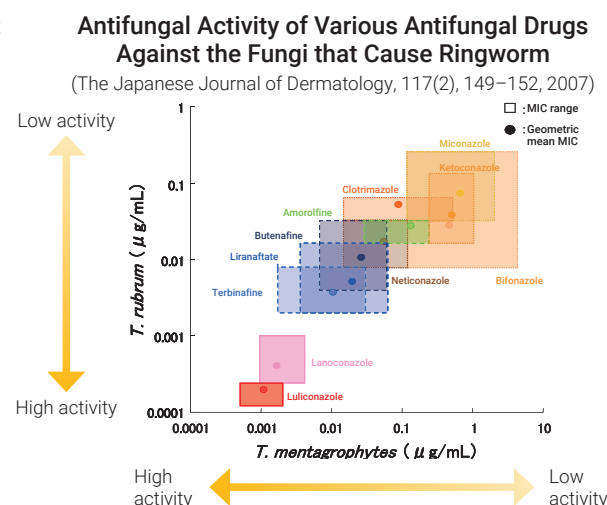
33 Nihon Nohyaku Co., Ltd. Integrated Report 2025 34



## Life Science Products Business

### Strengths (Competitive Advantages)

- AgriMart Corporation preventing termites with safe and trusted technology and chemical products**  
AgriMart Corporation, part of NICHINO Group, engages in termite control using safe and trusted technology and chemical products certified by The Japan Termite Control Association and the Japan Wood Protection Association.
- Our active ingredients, luliconazole and laniconazole, showing extremely high antifungal activity in the treatment of athlete's foot (tinea)**  
Luliconazole and laniconazole, developed at our Research Center, exhibit extremely high antifungal activity against the fungi that cause ringworm. Due to the effectiveness of these ingredients, we have gained a significant share of the domestic antifungal medication market, with our products contributing to treatment.
- Promoting research and development through an all-around evaluation system as a Research and Development (R&D)-driven company**  
At our Research Center, we conduct drug discovery research aimed at broad, eco-harmonized applications, including chemicals, pharmaceuticals, and animal health products, through an integrated approach encompassing synthesis, biology, safety, and intellectual property. In addition, through stronger research and development (R&D) initiatives in collaboration with ADEKA Corporation and pharmaceutical and animal health product manufacturers, we pursue R&D aimed at responding to the increasing needs of society and securing profits in the expanding fields of chemicals, pharmaceuticals, and animal health products beyond 2030.



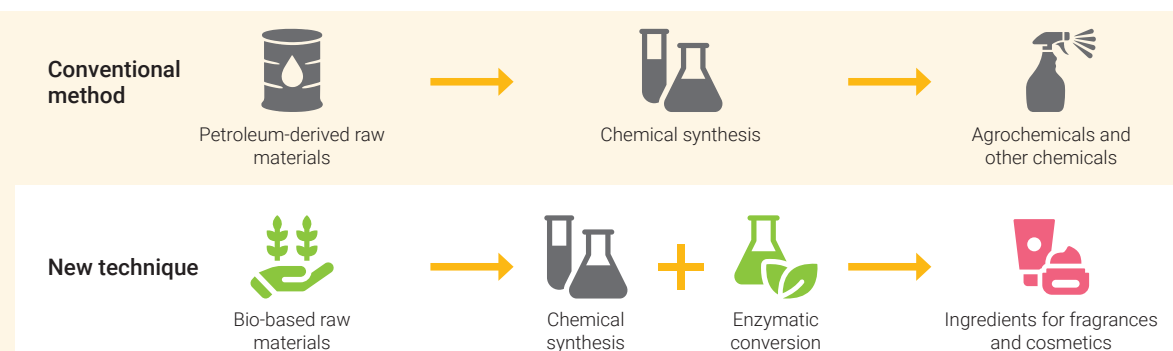
### TOPICS 1 Contributing to the Preservation of Biodiversity by Eradicating Invasive Species Using a New Termiticide

On Hachijo Island, there was a massive outbreak of white-footed ants (*technomyrmex brunneus*), an invasive species originating from tropical Asia, making it a serious household pest. NICHINO Group worked on countermeasures in collaboration with Tokyo Metropolitan University, the Forestry and Forest Products Research Institute, and Hachijo Town. Together, we developed an environmentally friendly product with minimal impact (hydrogel bait) using plant-derived biodegradable microfibrillated cellulose, and achieved the successful eradication of this pest. We will continue to expand global pest control operations using this product.



### TOPICS 2 Development of Products and Services Utilizing Bioresources

We are working with the RIKEN Center for Sustainable Resource Science to establish a production technique for high-value-added compounds derived from bio-based (naturally derived) raw materials using synthetic biology. We aim to initiate business activities at an early stage in the fragrance and cosmetics sectors, where the sustainable use of limited resources and the reduction of environmental impact represent key challenges. In the future, we plan to expand into a range of different fields, such as crop aid products and pharmaceutical raw materials.



## Smart Agriculture



**Kentarou Taniguchi**  
Industrial & Pharmaceuticals  
Sales Division  
Chief Manager, Smart  
Agriculture Promotion  
Department

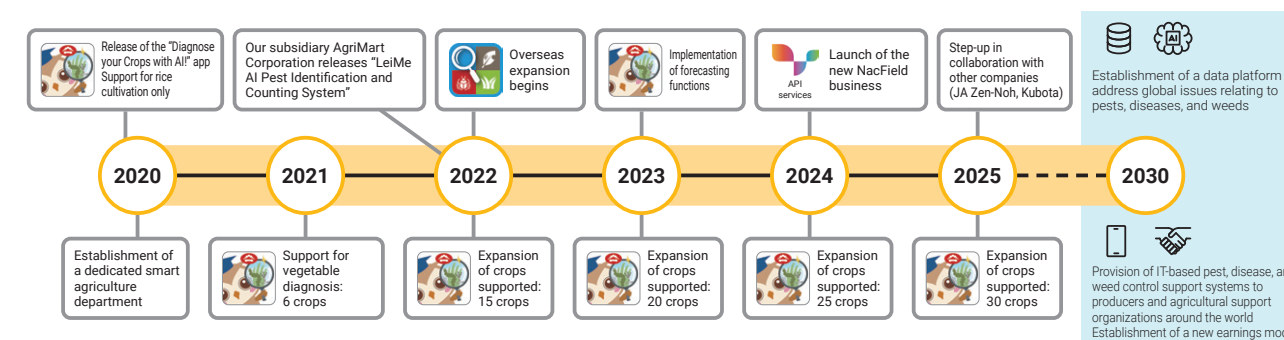
### Eliminating Damage from Pests, Diseases, and Weeds Through the Power of Agrochemicals and AI!

#### Background (Nihon Nohyaku's Smart Agriculture Initiatives)

The agricultural sector is facing significant challenges around the world due to frequent abnormal weather conditions caused by climate change and the increasingly complex patterns of pest, disease, and weed outbreaks. Even as it becomes more difficult for farmers to make decisions on pest, disease, and weed control, society also faces limits to the potential expansion of farmland to meet the growing food demand from a rising population, leading to serious food shortages. In Japan, the aging population has resulted in a shortage of agricultural workers, making it increasingly important for farming operations to achieve greater efficiency and labor-saving. In response to these circumstances, we are collaborating with NTT DATA CCS CORPORATION to develop AI and applications, in addition to providing better agrochemicals. By utilizing IT systems to monitor the status of pest and disease outbreaks and offering advice optimized to control these outbreaks, we aim to achieve sustainable agriculture.

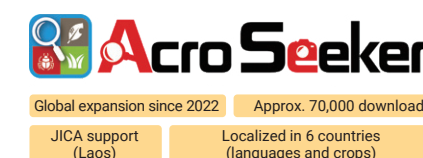
#### Ideal business model for 2030

- Leveraging AI and IT systems, we provide an environment where farmers can accurately monitor any outbreaks of pests, diseases, or weeds and make appropriate decisions to control them.**
- We have established a platform that aggregates and analyzes data on the occurrence of pests, diseases, and weeds, assisting agricultural support organizations and companies around the world to solve their challenges through predictive models and control recommendations.**
- By creating new revenue models centered on AI and data utilization, we contribute to stable crop production and sustainable food supply.**



### Products and Services

- "Diagnose Your Crops with AI! (LeiMe)" smartphone app**  
Diagnose Your Crops with AI! is an AI app for users in Japan that diagnoses pests, diseases, and weeds, and suggests suitable products for their control. In addition to diagnosis, it has various features useful for managing pests, diseases, and weeds.
- "AcroSeeker" smartphone app**  
This app for diagnosing pests and diseases targets overseas users. It is mainly used in Asia and provides localization features for local languages and crops.
- "NacField"**  
This is an API service that provides our AI, algorithms, and data for integration with other companies' smart agriculture products. Through this service, we have achieved integration with JA Zen-Noh's "Z-GIS" and Kubota's "KSAS."



Smart Agriculture

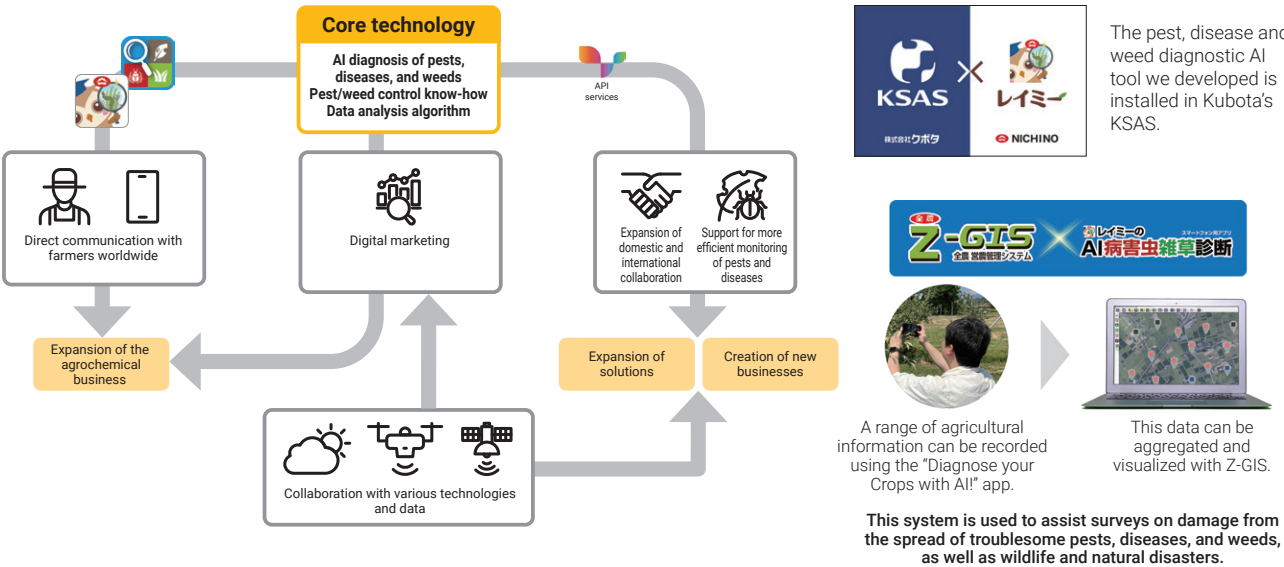
Value Creation

The “Diagnose your Crops with AI!” app, which we have developed and provide, has achieved a total of approximately 280,000 downloads in Japan and is widely used at agricultural production sites. Meanwhile, “AcroSeeker,” which we are rolling out globally, has achieved a total of approximately 70,000 downloads worldwide, contributing to our international support for agriculture. Through these apps, we directly connect with agricultural workers around the world and leverage their feedback to improve our services and digital marketing. Additionally, based on the app data, we monitor the needs at agricultural production sites and use this insight to deliver more effective information and product proposals.

Furthermore, our collaboration with Kubota's farming support system, “KSAS,” has enabled more farmers to utilize AI-powered diagnostic functions. This promotes the further digitalization of agriculture, contributing to improved decision-making support and work efficiency on-site.

Japan is experiencing increasingly complex outbreaks of pests, diseases, and weeds, while a decline in the number of agricultural supervisors has made it difficult to rely solely on conventional forecasting systems. To address these challenges, in May 2025, we collaborated with JA Zen-Noh to release a data integration solution combining “Diagnose your Crops with AI!” and “Z-GIS.” This solution visualizes information collected on-site, including damage from pest and disease outbreaks, natural disasters, and crop growth conditions, which is utilized by organizations such as local governments and JA.

Overseas, we are working with partners in various countries to promote the collection and analysis of data on pest and disease outbreaks. In addition, by integrating various technologies and data, we are expanding the scope of our solutions and contributing to the creation of new business opportunities.



TOPICS The LeiMe AI Pest Identification and Counting System

This system functions as a support tool for sanitary pest control. By taking an image of a paper insect trap, it automatically identifies the type and number of pests and outputs a report. We began offering this service in 2022 through our subsidiary, AgriMart Corporation. Utilizing our AI technology, the system can identify even very tiny insects.

Currently, it is being used to achieve more efficient pest control in warehouses for food and pharmaceuticals, as well as in restaurants.



Insects captured on a sticky paper trap are identified and counted using AI.

The aggregated results are automatically compiled into reports that can be managed on the cloud.



DX Strategy (Digital Innovation)



NICHINO Group places DX at the core of its management, aiming to achieve sustainable growth in a rapidly changing business environment. By combining on-site-driven execution capabilities with digital technology, we are not only improving operational efficiency but also challenging ourselves to create new value and transform business models. Moving forward, we will continue to solve social issues while also enhancing our corporate value through cross-departmental collaboration and human capital development.

Management Vision and DX Strategy

We have established a DX vision to create new value through a combination of on-site-driven capabilities and digital technology, positioning DX at the core of corporate management. Under our medium-term management plan, we explicitly identify DX as a pillar of “technological innovation and establishment of next-generation businesses,” and we are promoting company-wide transformation through five projects: smart agriculture, smart factories, data-driven drug discovery, global strategy, and DX promotion.

Formulating and Executing Our DX Strategy

Our DX strategy is formulated to enhance existing businesses while simultaneously creating new ones. Specific initiatives leveraging data and digital technologies include the AI image diagnostic app “Diagnose Your Crops with AI!” and drug discovery support using Auto-ML, as well as the digitization of manufacturing through MES implementation and the visualization of management information through GMS.

Promotion Systems and Human Capital Development

We are building cross-departmental promotion systems, focusing on our DX promotion project. We support the use of tools such as Microsoft 365, RPA, BI,

and e-learning, promoting the improvement of IT literacy and the development of digital talent. Through promotion committees, training programs, and similar systems, we encourage autonomous initiatives by employees on-site.

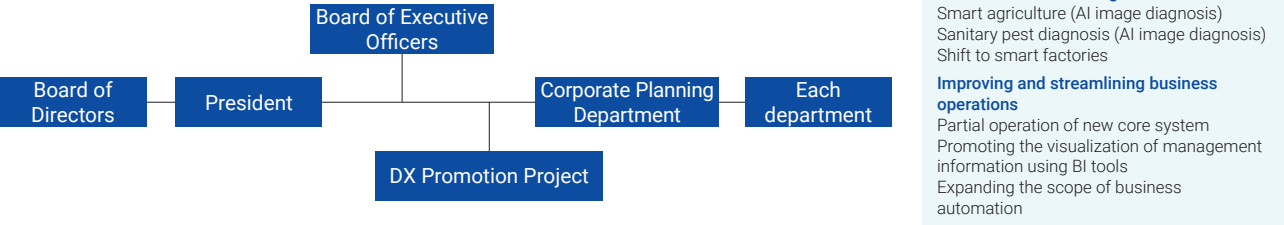
IT Infrastructure and Security

We are progressively rebuilding our core systems and promoting the adoption of cloud technology, as well as standardization and automation. Through the implementation of systems such as MES and GMS, we are improving operational efficiency and strengthening traceability. In terms of cybersecurity measures, we are also enhancing our security framework and providing education to reinforce risk management.

Performance Indicators and Review

We set KPIs for each project to evaluate progress and results from both quantitative and qualitative perspectives. In this context, we have observed measurable outcomes, such as an increase in the number of compounds, more widespread use of diagnostic applications, and a greater number of cases of RPA implementation. Through regular reviews at meetings of the Board of Executive Officers and other forums, we continually reassess and improve this strategy.

Promotion System



	DX Promotion Project (cross-departmental)	Global Strategy Project	Data-driven Drug Discovery Project	Smart Factories Project	Smart Agriculture Promotion Project
Expected functions	Project support, tool implementation, human capital development, etc.	Support for global optimization of management and value creation	Aim to advance and accelerate research and development	Responsible for improving efficiency and quality in manufacturing and logistics	Help to create new value at customer touchpoints
R&D	Support for RPA and BI utilization and IT tool implementation	—	Auto-ML, promotion of digitization Centralized data management	—	Development of image diagnosis AI Value creation through data integration
Production, procurement, and logistics	Support for inter-project collaboration Support for business streamlining	Global SPI planning Implementation of manufacturing execution systems	—	MES implementation Warehouse management and logistics automation	—
Sales and marketing	Support for business digitalization	—	—	—	Expansion of app users in Japan and overseas, app function development, sanitary pest diagnosis SaaS
Management	Visualization of management data	GMS implementation Visualization of consolidated accounting data	—	—	—
HR and education	Training, e-learning, and development of promotion committee members	—	—	—	—



# Human Capital Strategy



Toshiharu Yotsukura  
General Manager, Human  
Resources Department  
Administration Division

## From “Management That Utilizes People” to “Management Where People Thrive”

We regard our employees as “human capital,” and we aim to maximize their value through proactive investment. We believe that by creating workplaces where employees respect diverse values and can demonstrate initiative and collaborate, we will be able to sustainably enhance corporate value. To foster an environment where diverse employees can fully demonstrate their abilities, we are promoting the inclusion of women, persons with disabilities, foreign nationals, and mid-career hires, while also striving to develop workplaces that enable flexible workstyles aligned with the value perceptions of each employee.

### Ideal business model for 2030

- 1 The Group has sufficient human capital to support its sustainable growth, and employees are encouraged to learn and grow autonomously.
- 2 Workplace environments are established where employees mutually respect diversity and can work vigorously and happily.
- 3 Our human capital management initiatives are highly valued by stakeholders.

## Challenges to achieving our ideal business model

- Securing and developing specialized human capital capable of handling new businesses
- Strategic placement and development of global talent
- Fostering an organizational culture that generates innovation
- Improving engagement and well-being
- Visualizing human capital data and linking it to management

## FY2024 Results

- Dispatched researchers to overseas research institutions
- Held human capital development meetings (twice/year)
- Conducted training for female managerial candidates (2 types)
- Raised the base salary in association with the abolition of lifestyle-related allowances
- Certified as a KENKO Investment for Health (KIH) Outstanding Organization (Large Enterprise Category)
- Promoted health and productivity management activities at domestic Group companies
- Engagement score: 69 (February 2025)

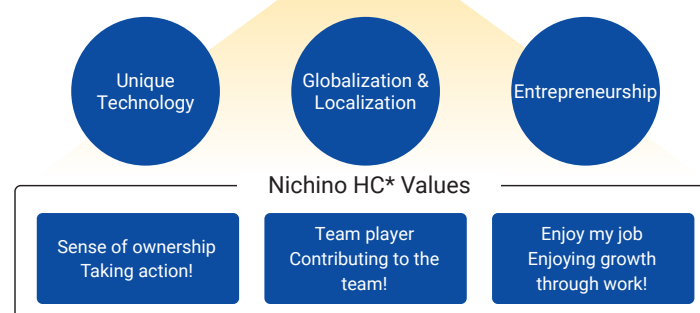
## FY2025 Plan

- Dispatch researchers to overseas research institutions
- Implement human capital exchanges with our main overseas subsidiaries
- Hold roundtable discussions and training programs for the development of female managers
- Secure diverse human capital (women, persons with disabilities, foreign nationals, etc.)
- Promote health and productivity management
- Acquire “Silver Certification” at three domestic Group companies
- Implement initiatives to improve the engagement score

## NICHINO HC\* Values

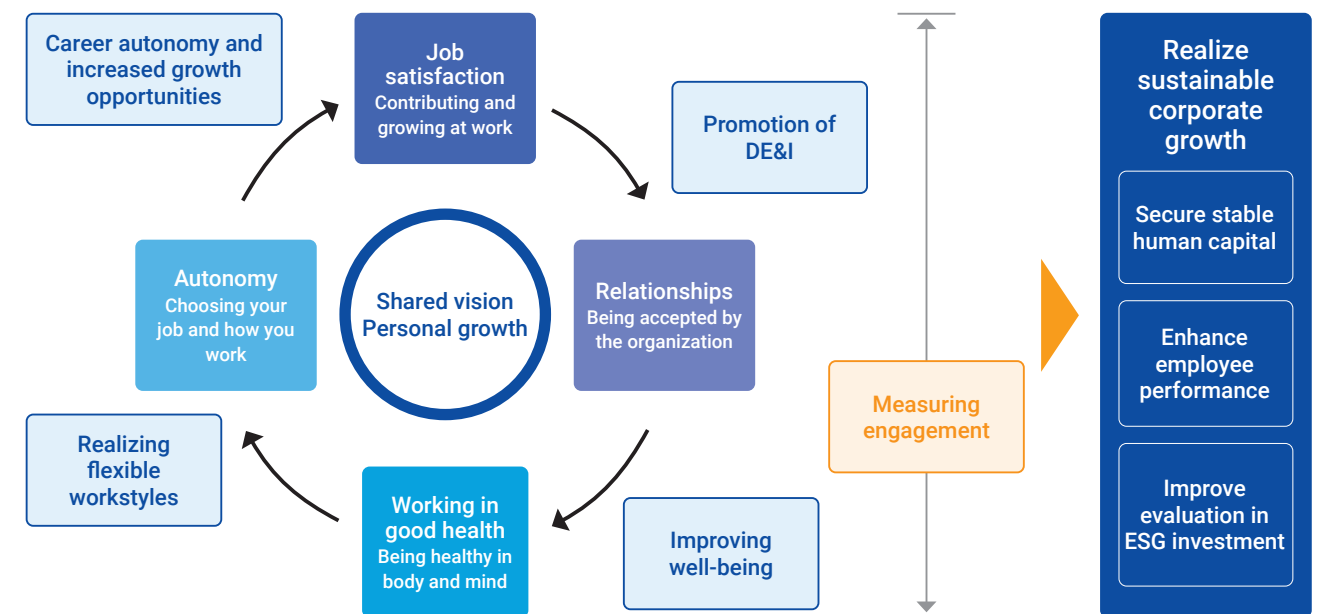
NICHINO Group’s most important value is to “provide customer satisfaction and contribute to society” by leveraging its unique strengths. These strengths are our “unique technology,” our orientation toward “globalization & localization,” and our “entrepreneurship.” Moreover, we believe that the source of this value lies in our human capital. We have defined our ideal image for human capital, and we are implementing measures to develop human capital and foster a good corporate culture.

### Customer Satisfaction and Social Contributions



\*Human Capital

## Human Capital Management



NICHINO Group considers human resources to be its most important management capital and positions them as “human capital.” To achieve sustainable growth, we set targets for career autonomy and the expansion of growth opportunities, DE&I, well-being, and improvement of the working environment as part of our human capital management.

### Career Autonomy and Increased Growth Opportunities

#### ● Developing and supporting human capital for R&D

We have established advanced development programs to support the growth of each researcher and maximize research outcomes. Through company-sponsored domestic and international study programs, as well as the degree acquisition support systems we have introduced, we help employees enhance their expertise and broaden their perspectives. Additionally, through researcher-led monthly research meetings and biannual results presentations to management, we aim to facilitate internal knowledge-sharing and enhance our organization-wide research capabilities.

#### ● Developing global human capital

To develop human capital with global perspectives and experience, we second young employees to overseas Group companies, dispatch researchers to overseas research institutes, and accept employees dispatched from overseas Group companies to Nihon Nohyaku.

The Group has also established the Global Strategy Project, in which all Group companies can participate, to facilitate the cross-border exchange of ideas regarding business processes such as research and development,

agrochemicals registration, production, supply chains, branding, finance, and human resources. As a result, the transition from a Japan-led decision-making structure to a global structure is progressing. Interactions among employees with diverse values are helping to instill the Group’s philosophy and vision and strengthen organizational cohesion.

We are also progressing with the development of succession plans for key positions within Nihon Nohyaku and other Group companies, and we plan to implement Group-wide training programs for the designated individuals.

#### ● Supporting autonomous growth and boosting motivation

We introduced an in-house side-job program in April 2025 to assist employees in proactively shaping their careers. Employees can voluntarily apply to other departments within the company, enabling them to broaden their skillsets through the accumulation of diverse work experience.

In addition, we actively recognize employees’ creativity and initiatives through our merit award program and challenge encouragement program, thereby enhancing job satisfaction and motivation.

### Promoting Diversity, Equity & Inclusion (DE&I)

We position DE&I as a key management issue, aiming to create an organization where diverse, talented individuals can maximize their individual abilities. We have set the following numerical targets and are working toward creating workplace environments where everyone can thrive.

Human Capital Strategy

Promotion of women’s participation and advancement

From FY2023 to FY2024, we conducted career development training for 40 employees aiming to become female managers. In FY2025, we will hold roundtable discussions with female employees, where we will obtain feedback directly from frontline personnel. In this way, we aim to foster awareness of career development and further enhance support measures.

Employment of Persons with Disabilities

In FY2024, we utilized new recruitment channels and hired two persons with disabilities. We are working to create safe and welcoming work environments through consideration based on the characteristics of each disability and by promoting barrier-free workplaces. Moving forward, we will collaborate with specialist

organizations outside the Group and actively work on recruitment, not only of individuals with physical disabilities but also those with mental and developmental disabilities.

Recruiting Foreign Nationals

In FY2024, we hired one non-Japanese employee as a researcher. Moving forward, we will strengthen the recruitment of foreign nationals, both through collaboration with exchange student programs conducted by national universities and through cooperation with Group companies in both new graduate and mid-career recruitment. By embracing human capital with diverse cultural backgrounds, we will further enhance our global perspectives and organizational diversity.

Items	KPI	FY2026 targets	FY2024 results
Promotion of women’s participation and advancement	Percentage of female managers	13% (March 2027)	9.7% (March 2025)
	Percentage of female employees	26% (March 2027)	25.1% (March 2025)
Employment of persons with disabilities	Achieve the legally mandated percentage of employees with disabilities	2.7% (FY2026)	2.2% (FY2024)
Appointment of foreign nationals	Percentage of foreign nationals among full-time employees	2% (March 2027)	1.3% (March 2025) One person recruited
Mid-career recruitment	Percentage of mid-career hires	50% (March 2027)	24% (FY2024)

Improving Well-being (Promoting Health and Productivity Management)

At NICHINO Group, we regard health and productivity management as a key management challenge, and we promote integrated initiatives through our Group companies in Japan (Nichino Service, Nihon Ecotech, Nichino Ryokka, and AgriMart). Our health and productivity management system for employees, and the improvements we have made to workplace environments, have received high acclaim, and in January 2022, we received a loan from the Development Bank of Japan (DBJ) based on the DBJ Employees’ Health Management Rated Loan Program.

In March 2024, in order to further strengthen our Group-wide efforts, we announced the “NICHINO Group Health Management Declaration.” In recognition of these

ongoing efforts, Nihon Nohyaku was certified as a “KENKO Investment for Health (KIH) Outstanding Organization (Large Enterprise Category)” for the first time in March 2025. Nichino Ryokka and AgriMart also received “Silver Certification.”

Moving forward, in addition to introducing a health management system, we will promote initiatives that utilize the in-house program “Enjoy Creating Box,” which encourages employee suggestions, aiming to help maintain their health while also improving job satisfaction. By March 2027, we aim to obtain certification as a “KENKO Investment for Health (KIH) Outstanding Organization (White 500)” and work to further improve well-being, including at our overseas Group companies.

**NICHINO Group Health Management Declaration**

NICHINO Group declares its intention to create a work environment where employees can work with enthusiasm, and to improve the job satisfaction and happiness of all employees by supporting their physical and mental health.

**Hiroyuki Iwata**  
Representative Director, President  
Nihon Nohyaku Co., Ltd.





DBJ健康格付  
2022

In January 2023, Nihon Nohyaku received a Development Bank of Japan loan based on the DBJ Employees’ Health Management Rated Loan Program, and has been rated as “a company with outstanding activities on employee health management.”



健康経営優良法人  
2025  
KENKO Investment for Health  
大規模法人部門

Realizing Flexible Workstyles

We have established the following systems relating to flexible working arrangements.

Support for Work-life Balance

Childcare

We endeavor to foster understanding and a sense of security regarding leave-taking to encourage male employees to take childcare and nursing care leave. This includes setting up a consultation desk, distributing childcare support pamphlets, and providing individual notifications to eligible employees.

Family Care

In FY2024, we created a pamphlet summarizing our in-house family care-related systems and distributed it to

employees. Moving forward, we will strengthen our efforts to promote understanding of these systems and provide support to help employees take family care leave. This will include holding informational sessions for employees aged 40 and above and conducting individual consultations for employees facing family care responsibilities.

Shorter working hours system

Since 2019, we have introduced a shorter working hours system for employees who have childcare, family care, or personal illness-related circumstances. We plan to revise the system to enable its combination with the flex-time system, promoting initiatives that balance flexible work styles with productivity improvement.

Major Nihon Nohyaku programs related to comfortable work environments

Field	Internal programs
Work systems	Normal work system, Time attendance system, Flex-time work system, Discretionary work system, Deemed outside work-site system
Holidays	Saturdays, Sundays, national holidays, winter holidays (December 29 to January 3), labor day holiday (May 1), Foundation Anniversary Day (November 17)
Realizing diverse workstyles	Annual paid leave, Congratulatory or condolence leave, Posting leave, Maternity leave, Summer vacation (5 days), Refresh vacations, Half-day paid leave, Childcare leave system, Childcare time (duty exemption), Child nursing care leave (paid), Leave for childcare, etc. (paid), Family care leave system, Family care leave (paid), Shorter working hours system for childcare, family care, injury and sickness treatment, Working from home system, Area full-time employee system (only when appointed as full-time employee)
Maintaining and promoting the health of employees	Medical examinations for all employees (full physical examinations for employees over age 40), Long-term sick leave, Stress check surveys, Telephone health consultations
Other benefits	Property accumulation savings, Housing loans, Defined contribution pension plan, Employee stock ownership plan, Leased company housing system

Engagement

Nihon Nohyaku introduced the engagement survey tool “Wevox” in February 2024 to visualize the effectiveness of human capital initiatives such as “career autonomy and increased growth opportunities,” “promotion of DE&I,” “improving well-being (promoting health and productivity management)” and “realizing flexible workstyles,” and to continuously drive improvements. The surveys measure nine items—“work duties,” “personal growth,” “health,” “support,” “human relationships,” “recognition,” “philosophy and strategy,” “organizational culture,” and “environment”—twice a year. Using similarly sized companies in the pharmaceutical industry as a benchmark, we target an engagement score of at least 70 points in our medium-term management plan, and will further strengthen dialogue with employees. For the past three years, we have maintained a retention rate of 100% for new graduate employees in their first three years of employment.

Results of the inaugural survey (implemented in February 2024)

The overall score was 66 points, falling 3 points below the benchmark. In response, we implemented the following improvement measures.

- 1 Conducting management training aimed at enhancing “support”
- 2 Introducing an in-house side-job program to provide opportunities for “personal growth”

Initiatives to improve management in organizations with low “health” scores

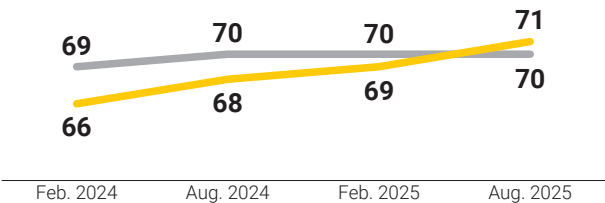
Future initiatives

In the fourth survey conducted in August 2025, the overall score reached 71 points, achieving our target under the medium-term management plan. We will continue to work on fostering a rewarding corporate culture to further enhance engagement.

From FY2025 onward, we also plan to expand this survey to our domestic Group companies. By linking it with our human capital management initiatives, we aim to ensure stable talent acquisition and improve employee performance, contributing to the sustainable growth of NICHINO Group.

Engagement Score Trend

Score Benchmark





Sustainability Management

Sustainability Basic Policy

In line with the shift from CSR management (demonstrating corporate social responsibility) to sustainability management (pursuit of sustainability for society as a whole) in our medium-term management plan GGS, we have revised our previous CSR Basic Policy into the

Sustainability Basic Policy (March 2024). This policy clearly declares our commitment to sustainability management with a greater awareness than ever before on the sustainability of society.

Sustainability Basic Policy

“Contributing to food and lifestyles through technological innovation”

Based on NICHINO Group Basic Principles, we will contribute to the realization of a sustainable society by continuously taking on the challenge of ensuring a steady food supply through innovative technologies and protecting rich lifestyles and the environment.

Sustainability Promotion System and Functions

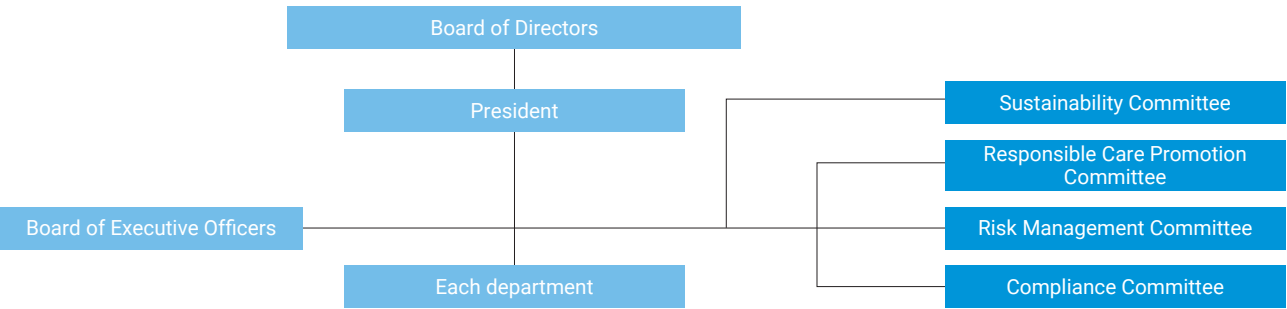
In line with the transition to sustainability management based on the basic strategy of the medium-term management plan, we have changed parts of our related systems and distributed functions based on consideration of past CSR activity results and issues (2024: Figure below).

The functions of the CSR Committee, which previously oversaw CSR-related activities and approved policies and plans for important matters, have been integrated into the Board of Executive Officers. Through these measures, we are promoting more efficient deliberation and decision-making, as well as more synchronized initiatives based on the relationship of business plans and policies with sustainability. In addition, the CSR Working Group, which played a core role in planning, implementation, and managing schedules for CSR-related activities, has been renamed the Sustainability Committee. This committee has taken over the support functions of the three

previous committees (Compliance, Risk Management, and Responsible Care (RC) Promotion) and works with the subcommittees and working groups established under it to promote more effective, cross-organizational activities than ever before. In addition, we have reorganized the CSR Promotion Department, which functioned as the administrative office of the CSR-WG, into the Sustainability Promotion Department of the Corporate Planning Division. This has enabled the Corporate Planning Division to undertake efficient activities while visualizing the overall situation from a company-wide and group-wide perspective.

Through the reorganization of these systems and functions, we are pursuing more flexible efforts to increase both financial and non-financial value (sustainability management) from the perspective of business execution responsibility.

Sustainability Promotion System



Responsible Care Activities - Promotion System and Management System

At the NICHINO Group, we engage in activities to address the six Responsible Care (RC) codes through the Safety and Health Supervisors Subcommittee, the Environment Management Subcommittee, and the Safety Promotion Subcommittee, which are under the

supervision and management of the Responsible Care Promotion Committee (figure above). We have also obtained ISO certification for our management systems at designated companies and business sites, and we are engaged in effective Responsible Care activities.

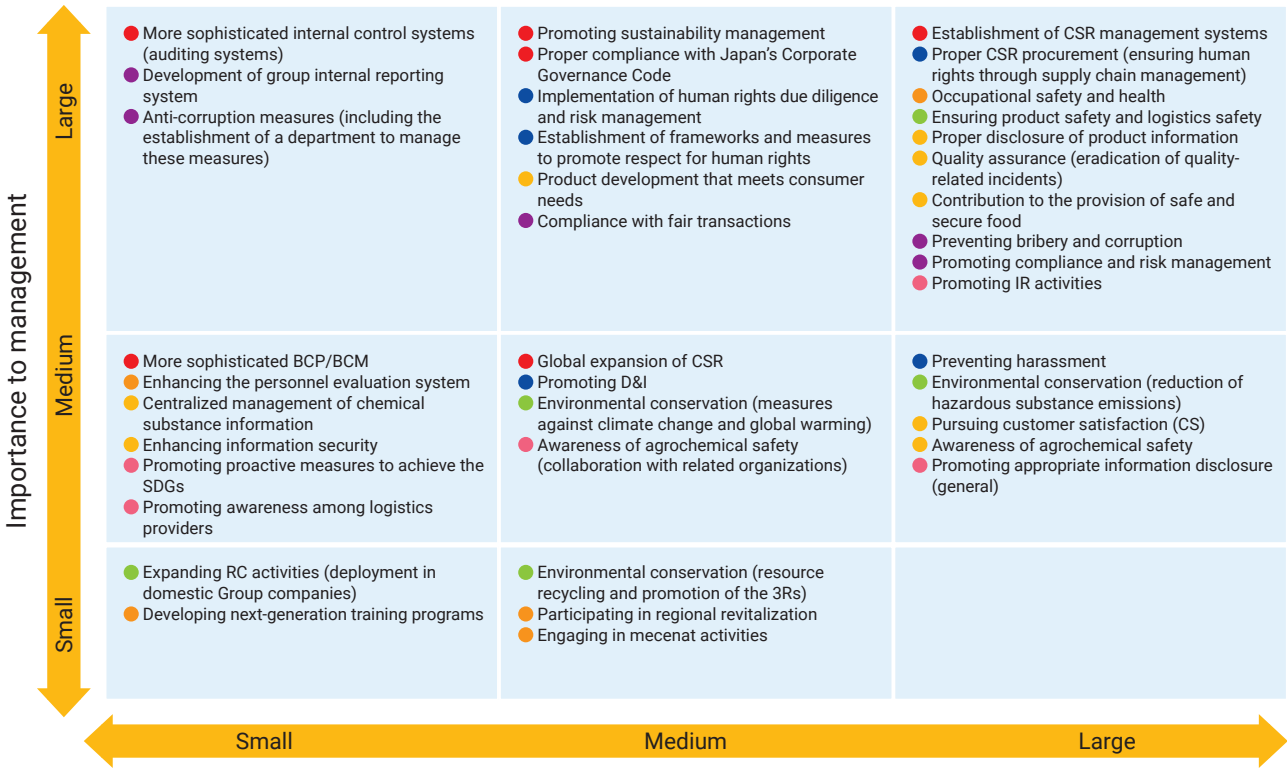
Selection of the Seven Priority Issues (Materiality)

In the previous medium-term management plan EGG2, we selected “Seven Priority Issues (materiality)” as priority areas and issues for CSR management (May 2021). These issues represent fundamental and major issues in the development of the Group’s business activities under the medium-term management plan GGS. We continue to address them as material issues.

The overview of the materiality selection process is as follows (figure and table below). We first comprehensively identified CSR-related subjects and issues and then created a comparison table based on the seven core subjects of the ISO26000, global CSR guidelines (Step 1).

Next, we grouped like items and analyzed their level of priority based on their importance to corporate management and stakeholders (Step 2). We then reflected the Group’s actual level of achievement against the results of this analysis, and selected material issues to address as a priority. Then, after discussions by the CSR-WG and CSR Committee at the time and advice from the Board of Directors, we finalized the Seven Priority Issues (materiality). In addition, we established the “Ideal business model for 2030” and the “key tasks and KGI/KPI for the medium-term management plan” at the same time (Step 3).

Distribution of Importance of the CSR-related Issues Identified\*1,\*2



\*1: Based on a consideration of importance in terms of management and from a stakeholder perspective, as well as the level of achievement through the Group's business activities  
\*2: Classified based on the core subjects of ISO 26000: ● Organizational governance ● Human rights ● Labor practices ● The environment ● Fair operating practices ● Consumer issues ● Community involvement and development

Relationship between the seven priority issues and the core subjects of ISO 26000

Priority area	Core subjects of ISO 26000	Seven priority issues	Main measures
E: Environmental	The environment	Raising the level of environmental management	Environmental conservation (RC activities)
		Expansion of human rights management	Diversity & inclusion (D&I), human capital development
S: Social	Human rights Labor practices Fair operating practices Consumer issues Community involvement and development	Enhancing the culture for safety	Occupational safety & health, product safety (RC activities)
		Development of technologies and products that meet the needs of society	Pursuing customer satisfaction
		Community involvement	Dialogue with stakeholders (RC activities)
		Strengthening corporate and organizational governance	Corporate governance, CSR management
G: Governance	Organizational governance	Expansion of compliance and risk management	Sustainability management, BCP
General	— (Overall ESG)		

Sustainability Management

Overview of the Level of Achievement of the Seven Priority Issues (Materiality) in FY2024, Targets for FY2026, and Ideal Business Model for FY2030

For the GGS, medium-term management plan, the specific measures and results of each of the head office business departments and domestic and overseas group companies in relation to the Seven Priority Issues were examined. Then, the “Ideal business model for 2030” was reviewed and new KGI/KPI for the GGS period were formulated.

	Priority issues	Level of achievement in FY2024	Targets for FY2026	Ideal business model for FY2030
E Environment	<b>Raising the level of environmental management</b> <b>Environmental conservation</b>	<b>Overall</b> <ul style="list-style-type: none"><li>● CDP: “B” rating for climate change (“B” for FY2023), “C-” for water security (first time)</li><li>● Expanded the utilization of renewable energy (solar power generation)</li></ul> <b>Environmental conservation</b> <ul style="list-style-type: none"><li>● CO<sub>2</sub> reduction (Scope 1+2): GHG emissions of 23,774t, 82.6% of the medium-term management plan level (medium-term management Plan: 28,792t)</li><li>● Modal shift rate of 20.5% (target: 22%)</li></ul>	<b>Overall</b> <ul style="list-style-type: none"><li>● Consider obtaining ISO 14001 certification for Nihon Nohyaku Co., Ltd.</li><li>● Expand the utilization of renewable energy (solar power generation)</li></ul> <b>Environmental conservation</b> <ul style="list-style-type: none"><li>● CO<sub>2</sub> reduction (Scope 1+2): GHG emissions of 27,334 t-CO<sub>2</sub> 14.4% reduction globally compared to 2020 (equivalent to a 35.1% reduction compared to 2013)</li><li>● Modal shift rate of 26% or greater</li></ul>	<b>Overall</b> <ul style="list-style-type: none"><li>● Raise the level of environmental management through environmentally targeted investment and expenditure</li><li>● Appropriately address external evaluation initiatives related to ESG (environmental)</li></ul> <b>Environmental conservation</b> <ul style="list-style-type: none"><li>● CO<sub>2</sub> reduction (Scope 1+2): 23% reduction in GHG emissions globally compared to 2020 (32% reduction within Japan; equivalent to a 46% reduction compared to 2013)</li><li>● Energy conservation: Maintain a reduction in energy intensity of 1% over five years</li><li>● Modal shift rate of 30% or greater</li></ul>
	<b>Expansion of human rights management</b> <b>DE&amp;I, human capital development</b>	<b>Raising the level of human rights management</b> <ul style="list-style-type: none"><li>● Established the Human Rights Policy, identified human rights violation risks, and built relief mechanisms (Nihon Nohyaku Co., Ltd.)</li></ul> <b>DE&amp;I</b> <ul style="list-style-type: none"><li>● Percentage of female employees: 25.1% (Nihon Nohyaku Co., Ltd., as of March 31, 2025)</li><li>● Percentage of female managers: 9.7% (Nihon Nohyaku Co., Ltd., as of March 31, 2025)</li></ul> <b>Employee health management and comfortable work environments</b> <ul style="list-style-type: none"><li>● Employee engagement survey score (twice per year): 68 (August 2024), 69 (February 2025)</li></ul>	<b>Raising the level of human rights management</b> <ul style="list-style-type: none"><li>● Zero cases of significant human rights violations in the supply chain, etc.</li><li>● Horizontal expansion to Group companies and effective collaboration</li></ul> <b>DE&amp;I</b> <ul style="list-style-type: none"><li>● Percentage of female employees: 26% (Nihon Nohyaku Co., Ltd.)</li><li>● Percentage of female managers: 13% (Nihon Nohyaku Co., Ltd.)</li></ul> <b>Employee health maintenance and improvement, and comfortable work environments</b> <ul style="list-style-type: none"><li>● Employee engagement survey score target: 70 or higher</li><li>● Obtain external certification (Kurumin, Eruboshi, and Health &amp; Productivity Management Outstanding Organization White 500)</li></ul>	<b>Raising the level of human rights management</b> <ul style="list-style-type: none"><li>● Zero cases of significant human rights violations in the supply chain, etc.</li><li>● Appropriately address external evaluation initiatives related to ESG (social)</li></ul> <b>DE&amp;I</b> <ul style="list-style-type: none"><li>● Percentage of female employees: 30% (Nihon Nohyaku Co., Ltd.)</li><li>● Percentage of female managers: 22% (Nihon Nohyaku Co., Ltd.)</li></ul> <b>Employee health maintenance and improvement, and comfortable work environments</b> <ul style="list-style-type: none"><li>● Maintain certification (Kurumin, Eruboshi, and Health &amp; Productivity Management Outstanding Organization White 500)</li></ul>
	<b>Enhancing the culture for safety</b> <b>Occupational safety &amp; health, product safety</b>	<b>Occupational/commuting accidents</b> <ul style="list-style-type: none"><li>● An accident with workdays lost, including a death, occurred at the Saga Plant, and a fire incident occurred in Brazil</li></ul> <b>RC auditing</b> <ul style="list-style-type: none"><li>● Implemented a local RC audit in India</li></ul> <b>Enhancing risk assessment</b> <ul style="list-style-type: none"><li>● Enhanced risk assessment for major technical grades</li></ul> <b>Zero defective product recalls</b> <ul style="list-style-type: none"><li>● We were responsible for 2 claims</li></ul>	<b>Occupational/commuting accidents</b> <ul style="list-style-type: none"><li>● Achieve zero accidents globally</li></ul> <b>RC auditing</b> <ul style="list-style-type: none"><li>● Share product safety information within the Group</li></ul> <b>Risk assessment system</b> <ul style="list-style-type: none"><li>● Enhance the risk assessment system</li></ul> <b>Zero product recalls</b>	<b>Occupational/commuting accidents</b> <ul style="list-style-type: none"><li>● Aim for zero occupational/commuting accidents</li></ul> <b>RC auditing</b> <ul style="list-style-type: none"><li>● Fostering a culture of safety, deepen and expand RC auditing</li></ul> <b>Risk assessment system</b> <ul style="list-style-type: none"><li>● Expand risk assessment (complete safety dossiers for all factories) and establish a comprehensive risk assessment system</li></ul> <b>Zero product recalls</b>
	<b>S</b> Social <b>Development of technologies and products that meet the needs of society</b> <b>Pursuing customer satisfaction</b>	<b>Eco-harmonized products</b> <ul style="list-style-type: none"><li>● Obtained certification of in-house products according to certification standards</li><li>● Investigated the status of products for overseas communication/overseas bases</li></ul> <b>Biopesticides, etc.</b> <ul style="list-style-type: none"><li>● Started domestic development of microbial insecticides (Type A)</li><li>● Examined the performance of microbial fungicides (Type B)</li><li>● Acquired global development and sales rights for microbial fungicides</li></ul> <b>Developing residential environments</b> <ul style="list-style-type: none"><li>● Participation and commencement of restoration work on the stone walls of the Morioka Castle ruins</li></ul> <b>Smart agriculture</b> <ul style="list-style-type: none"><li>● Implemented overseas/store introduction functions and international expansion: India, Vietnam, Taiwan, South Korea, Indonesia, and Laos</li><li>● Expanded collaboration with companies addressing smart agriculture (began business collaboration with Kubota Corporation and ZEN-NOH)</li></ul> <b>New business fields</b> <ul style="list-style-type: none"><li>● Participated in and completed the stone wall restoration project at castle ruins</li><li>● Expanded AI diagnostic tools into the field of sanitary pests</li></ul> <b>Communication with customers</b> <ul style="list-style-type: none"><li>● Created web content titled “Solutions that Meet the Needs of Society”</li></ul>	<b>Eco-harmonized products</b> <ul style="list-style-type: none"><li>● Instill the concept of eco-harmonized products throughout the Group</li><li>● Accelerate the development of eco-harmonized products within the Group and achieve the sales target of 39.3 billion yen</li></ul> <b>Biopesticides, etc.</b> <ul style="list-style-type: none"><li>● Introduce, launch and globally expand biopesticides and crop aid products (biostimulants, etc.)</li></ul> <b>Smart agriculture</b> <ul style="list-style-type: none"><li>● Collaborate with other companies’ sensing technologies/core technologies to generate innovation</li><li>● Expand corporate partnerships globally</li></ul> <b>New business fields</b> <ul style="list-style-type: none"><li>● Expand new business fields</li></ul>	<b>Eco-harmonized products</b> <ul style="list-style-type: none"><li>● Continue to create new eco-harmonized products</li><li>● Expand our portfolio of eco-harmonized products</li></ul> <b>New businesses, etc.</b> <ul style="list-style-type: none"><li>● Develop biopesticides, biostimulants, and antifungal agents domestically and internationally; commercialize new pharmaceuticals, veterinary drugs, and new business ventures (sales target: 15.0 billion yen)</li></ul> <b>Smart Agriculture</b> <ul style="list-style-type: none"><li>● Expand and provide image diagnostic technologies overseas</li></ul>
G Governance	<b>Community involvement</b> <b>Dialogue with stakeholders</b>	<b>Enhancing the Integrated Report</b> <ul style="list-style-type: none"><li>● Enhanced the sustainability report and strengthened IR and SR</li></ul> <b>Expansion of corporate value improvement (brand strategy)</b> <ul style="list-style-type: none"><li>● Continued inclusion in the FTSE index (500 companies)</li><li>● Continued to accept site tours of the Research Center and the Nichino Service factory</li></ul> <b>Support for regional revitalization</b> <ul style="list-style-type: none"><li>● Implemented corporate hometown tax donations to local governments</li><li>● Our support for local career education was featured in the Job Notebook for Elementary School Students published in 2024 by the local government</li></ul> <b>Accurate support activities during disasters</b> <ul style="list-style-type: none"><li>● Maintained support systems from business sites (for clients, employees, etc.)</li></ul>	<b>Integrated Report</b> <ul style="list-style-type: none"><li>● Publish and enhance the Integrated Report</li></ul> <b>Expansion of corporate value improvement (brand strategy)</b> <ul style="list-style-type: none"><li>● Enhance Group awareness-raising and support activities</li><li>● Enhance and expand dialogue with stakeholders (strengthen engagement with overseas institutional investors)</li></ul> <b>Support for regional revitalization</b> <ul style="list-style-type: none"><li>● Effectively participate in local contributions, environmental conservation, and coexistence projects</li></ul> <b>Accurate support activities during disasters</b> <ul style="list-style-type: none"><li>● Engage in mutual assistance initiatives in local communities</li></ul>	<b>Integrated Report</b> <ul style="list-style-type: none"><li>● Enhance the Integrated Report</li></ul> <b>Expansion of corporate value improvement (brand strategy)</b> <ul style="list-style-type: none"><li>● Leverage social media and other platforms to strengthen our communication</li></ul> <b>Support for regional revitalization</b> <ul style="list-style-type: none"><li>● Enhance business site tours and regularly dispatch lecturers to external institutions</li></ul> <b>Accurate support activities during disasters</b> <ul style="list-style-type: none"><li>● Engage in mutual assistance initiatives in local communities</li></ul>
	<b>Strengthening corporate and organizational governance</b> <b>Corporate governance</b>	<b>Enhancing internal control systems and auditing systems</b> <ul style="list-style-type: none"><li>● Revised our standards for the evaluation and audit of internal controls over financial reporting, as well as implementing standards for the evaluation and audit of internal controls over financial reporting (domestic)</li><li>● Implemented internal audits relating to the prevention of quality defects</li><li>● Enhanced the quality assurance system (strengthened in-house audits and audits of outsourcing partners)</li><li>● Conducted IT systems and global IT governance surveys for overseas consolidated companies</li><li>● Implemented a local RC audit in India</li></ul>	<b>Restructuring the audit system, expanding and strengthening internal control systems</b> <ul style="list-style-type: none"><li>● Make it a policy to enhance internal control systems and auditing systems</li><li>● Establish a global RC audit system to strengthen monitoring and control functions</li><li>● Enhance information security</li><li>● Reconstruct the quality assurance system</li><li>● Build the RC auditing system with an awareness of fostering a culture for safety</li></ul>	<b>Restructuring the audit system, expanding and strengthening internal control systems</b> <ul style="list-style-type: none"><li>● Continuously improve effective corporate and organizational governance functions</li><li>● Implement efficient and effective audits by the Audit and Supervisory Committee, J-SOX audits, internal audits, and RC audits</li><li>● Reinvalidate the Governance Committee and implement external evaluations of the effectiveness of the Board of Directors</li><li>● Coordinate RC audits with other audits (global joint audits, including RC, J-SOX, and internal audits)</li><li>● Appropriately address external evaluation initiatives related to ESG (governance)</li></ul>
	<b>General:</b> Overall ESG <b>Expansion of compliance and risk management</b> <b>BCP</b>	<b>Effective coordination and utilization of various Group councils</b> <ul style="list-style-type: none"><li>● Held joint meetings of the Group Sustainability Council and overseas Group company presidents</li><li>● Reviewed management/business risk management (categorized risks and improved information-sharing methods)</li></ul> <b>Organization of BCP issues (response to large-scale disasters, etc.)</b> <ul style="list-style-type: none"><li>● Continued regular inspection of the safety confirmation system</li><li>● Installed AEDs at each business site</li></ul>	<b>Effective coordination and utilization of various Group councils (including the consideration of potential integration)</b> <ul style="list-style-type: none"><li>● Regularly review the BCP issues and response during large-scale disasters, from the perspective of crisis management</li></ul> <b>Organization of BCP issues (response to large-scale disasters, etc.)</b>	<b>Effective coordination and utilization of various Group councils</b> <ul style="list-style-type: none"><li>● Utilize global internal reporting system</li><li>● Stably procure and provide NICHINO’s technical grade ingredients</li></ul> <b>BCP</b> <ul style="list-style-type: none"><li>● Establish routine crisis management operations</li></ul>



Raising the Level of Environmental Management

Ideal business model for 2030

- “Climate change”: Continue to address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and provide highly transparent information disclosure
- “Carbon neutrality”: Continue to implement GHG emissions reduction measures to achieve carbon neutrality in 2050 (2070 in India)
- “Water conservation” “Waste reduction”: Promote intensity management and set KPIs in accordance with actual conditions
- “Preserving biodiversity”: Continue to minimize our impact on biodiversity and engage in sustainable procurement, technological development, and collaboration

Challenges to achieving our ideal business model

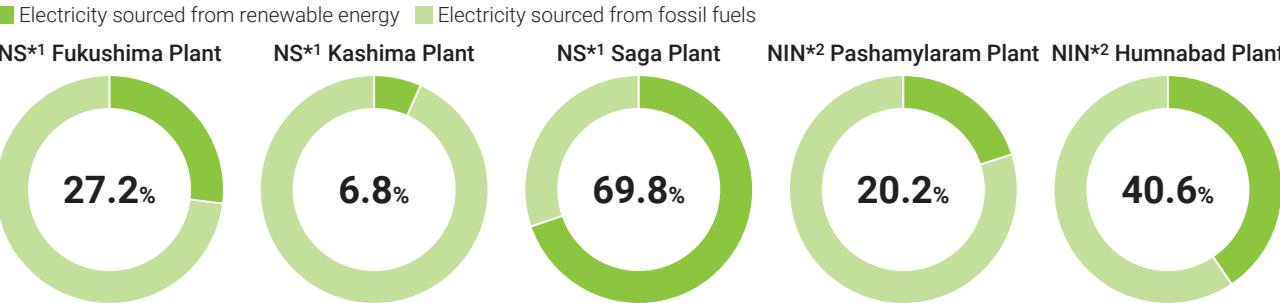
- “Energy conservation” “GHG emissions reduction”: Enhance our efficient, low-carbon technologies to reduce GHG emissions and energy consumption associated with increased production
- “Water conservation”: Enhance water security at overseas manufacturing sites
- “Waste Reduction”: Promote the optimization of product standards and collaboration within the industry to reduce packaging waste and agrochemical waste
- “Preserving biodiversity”: Promote research and development that addresses market needs and climate change

Results for FY2024 and Plan for FY2025

Please refer to the Data Book for detailed environmental data.

Item	Target	FY2024		FY2025 (Plan)
		Level of achievement	Result	
Energy consumption	Reduce	Achieved	3,696.9kℓ (Domestic crude oil equivalent) 78.5% of the previous year's level	<ul style="list-style-type: none"><li>Enable more efficient data aggregation through the introduction of an environmental data aggregation system</li><li>Collect environmental data from domestic and overseas Group companies other than manufacturing sites</li></ul>
Energy intensity	At least 1% improvement compared to the previous year	Not achieved	Nihon Nohyaku: 104.0% Nichino Service: 100.4%	<ul style="list-style-type: none"><li>Reduce energy intensity compared to the previous year</li><li>Reduce average energy intensity over the past five years by more than 1%</li></ul>
GHG emissions reduction	-23% compared to 2020	Achieved	23,774t (-27% compared to 2020)	<ul style="list-style-type: none"><li>Reduce by 13.7% compared to 2020</li><li>Introduce an environmental data aggregation system and enable more efficient data aggregation with a view to addressing EU regulations</li></ul>
Pursuit of zero emissions (Nichino Service)	Continue zero emissions	Achieved	Continued zero emissions	Continue zero emissions (Nichino Service)
Green purchasing rate	95% or more	Achieved	100%	Pursue initiatives to achieve a rate of 95% or more
Water intake and waste water volume	(To be set)	Continuing	Continued to monitor the situation	Pursue initiatives to set policies and goals related to water conservation
Preserving biodiversity	Pursue biodiversity preservation activities	Continuing	Cooperative activities with local governments and industry groups	Pursue initiatives to evaluate and disclose information based on the TNFD recommendations
Environmentally friendly materials procurement	Use environmentally friendly materials	Continuing	Continued to use plant-based ink, etc.	Continue activities

Proportion of Electricity Consumed that was Sourced from Renewable Energy (FY2024)



\*1: Nichino Service Co., Ltd.  
\*2: Nichino India Pvt. Ltd.

Response to Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Climate change is expected to have various effects on the global environment, including agricultural crop production and natural ecosystems. Accordingly, the effective promotion of countermeasures has become a common issue across the globe. NICHINO Group is centered on the agrochemical business, which contributes to stable crop production globally. For the Group, analyzing and predicting the direct, indirect and derivative ongoing effects of climate change is important from the perspective of business strategy. The Group has announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (February 2022). We are responding to the TCFD recommendations, such as by conducting climate change scenario analyses.

Governance and Risk Management

In order to expand sustainability management within the Group, the Board of Executive Officers, which is chaired by the President and Representative Director, deliberates and decides on priority issues in business activities. These issues include sustainability, compliance, risk management, promotion of responsible care, various activities related to J-SOX, and climate change. Decisions made are reported to the Board of Directors.

The Risk Management Committee identifies risks on the business and implements measures to reduce said risks. By promoting measures that address risks posed by climate change, we are striving to fulfill the social responsibilities of Nihon Nohyaku and NICHINO Group.

Strategy

The global population is expected to continue growing in the future. However, there is a limit to how much farmland can be expanded, and there are concerns that the expansion of farmland could result in deforestation. In addition, there is a possibility that the amount of farmland will decrease due to a rise in abnormal weather conditions caused by climate change. Therefore, to meet expanding demand for food caused by population growth, it is essential to improve the efficiency and stability of agricultural production using agricultural materials such as agrochemicals. The Group is conducting scenario analyses of climate change-related risks and opportunities that could affect the realization of our “Ideal business model for 2030,” with reference to the below 2°C scenario and the 4°C scenario. The main risks and opportunities are as follows.

**Risks** **Opportunities** Degree of impact: Extremely large: More than 5 billion yen, Large: 500 million to 5 billion yen, Medium: 50-500 million yen, Small: Less than 50 million yen (The impact level is judged based on net sales)

Classification	Risks/Opportunities	Degree of impact (2030)	Reference scenario	Measures to reduce risks and make use of opportunities
Transition	● Introduction of carbon pricing	Medium	Below 2°C scenario (IEA's Sustainable Development Scenario)	We will work to reduce GHG emissions with a focus on renewable energy and biofuels.
	● Surging raw material prices	Large	Beyond 2°C scenario (IEA's Stated Policies Scenario)	We will strengthen collaborations with partners throughout the supply chain through measures such as reducing risk by diversifying raw material sources and updating production facilities so that they consume less energy.
	● Increasing energy costs	Medium		
	● Reduced demand for carbon-intensive products ● Increasing demand for carbon-free products	Medium	—	We will consider streamlining the manufacturing process and developing and introducing innovative manufacturing technologies. We will expand our product lineup to include biopesticides and other products that are expected to have low carbon emissions during the manufacturing process.
	● Improved reputation among customers due to cutting-edge initiatives	Medium	—	We will accelerate initiatives for technological innovation based on accurate future predictions and a medium- to long-term R&D perspective, while considering the direct relationship of climate change with agriculture and business characteristics.
	● Improved ESG evaluations from investors	Medium	—	We will proactively share information regarding initiatives for priority sustainability issues, including measures to reduce GHG emissions.
	● Decreasing demand due to declining farmland area ● Increasing demand due to increased agricultural production	Large Extremely large	Below 2°C scenario (IPCC SSP1) 4°C scenario (IPCC SSP3)	We are expanding into the field of crop aid products in addition to agrochemicals, and promoting smart agriculture using IT systems. In doing so, we aim to contribute to farmland conservation and improved agricultural productivity from the perspective of comprehensive crop protection.
Physical	● Increasing demand due to increased pest infestations, etc.	Medium	4°C scenario (IPCC SSP3)	We are pushing forward with the establishment of data-driven marketing strategies grounded in agricultural production sites. We will strive to provide products and services that meet the needs of producers by quickly and accurately detecting changes in the occurrence and damage caused by pest infestations and weeds, as well as the resulting changes in on-site needs.

Raising the Level of Environmental Management

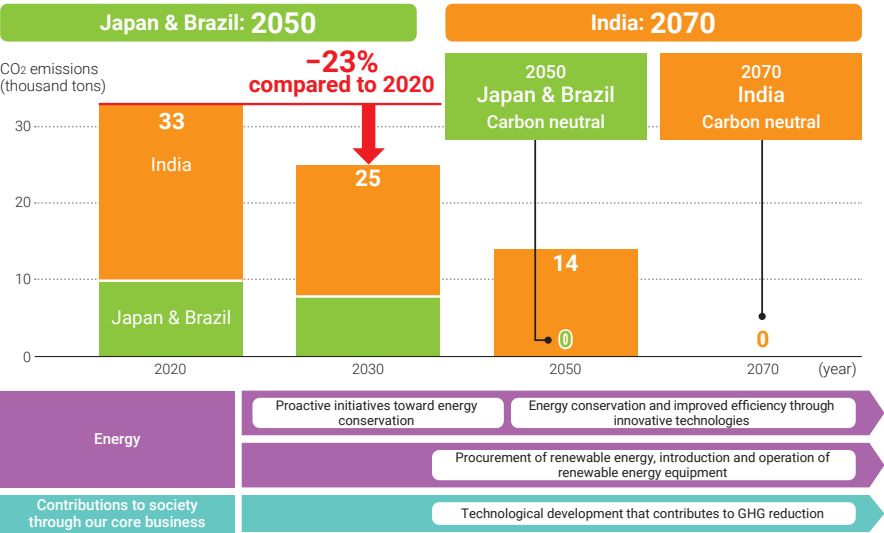
Metrics and Targets

CO<sub>2</sub> from energy consumption accounts for almost all of NICHINO Group's GHG emissions. As part of our efforts to create a low-carbon society, we aim to reduce our CO<sub>2</sub> emissions compared to the previous year. Furthermore, we aim to achieve a 23% reduction for the

entire Group\*<sup>1</sup> (Scope 1\*<sup>2</sup>+2\*<sup>3</sup>) from 2020 levels in 2030, and achieve carbon neutrality in Japan and Brazil in 2050. (In India, our target is 2070 due to the national policies.)

\*1. Nihon Nohyaku and other Group companies that have manufacturing sites. We have manufacturing sites in Japan, India, and Brazil.  
\*2. Direct emissions of GHG by the reporting company. \*3. Indirect emissions from the use of electricity, heat, or steam supplied by others.

NICHINO Group\* aims to be carbon neutral



**CO<sub>2</sub> Emissions Reduction Policy**

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 keeping an eye on changes in energy policies in each country.

Energy conservation and improved efficiency through innovative technologies

Procurement of renewable energy, introduction and operation of renewable energy equipment

Technological development that contributes to GHG reduction

Initiatives for Energy Conservation

Nihon Nohyaku and Nichino Service aim to reduce energy intensity compared to the previous year and to reduce the five-year average by 1% or more. Other domestic Group companies have also set goals that match their conditions and are promoting the switch to

LED lighting and eco-driving, while overseas Group companies are progressively ascertaining their energy usage. Going forward, the entire Group will continue to work together as one to promote energy conservation.

Preserving Biodiversity

Agrochemicals are required to be not only effective but also safe for people, livestock, and the surrounding environment. The Group complies with laws and regulations and develops agrochemicals that are closely aligned with the perspectives of "the environment, safety and health," by utilizing the latest scientific knowledge. Nichino Ryokka utilizes its products and weed management technology to participate in the "Satochi-Satoyama (Socio-ecological Production Landscape) Revitalization Project by Industry, Academia, and Government" in

Nasukarasuyama City, Tochigi Prefecture. Nihon Nohyaku participates in CropLife JAPAN's "Bee Friendship Plan." It grows plants preferred by pollinating insects on part of the company premises in an effort to preserve the biodiversity of insect habitats. On June 5, World Environment Day, we hold events for employees, present quizzes to deepen their interest in biodiversity, and otherwise strive to raise awareness as part of the Group's environmental education.

Achievements by the Satochi-Satoyama Revitalization Project by Industry, Academia, and Government in Four Years

	FY2021	FY2022	FY2023	FY2024
Application technologies for herbicides, etc.	Basic		Applied	
	Verification of effectiveness through herbicides, etc.		Cooperation and integration	Proposals for new technologies
Conferences and symposiums	● Plenary project meetings (6 times) ● Small meetings between the local government and universities (15 times) ● Symposiums (2 times, including a special symposium by the Weed Science Society of Japan) ● Small meetings between companies and universities (65 times)			
On-site workshops	● 1st Workshop: Aiming to protect daily life through weed control, effective disaster prevention, and traffic safety ● 2nd Workshop: Weeds control that supports the promotion of the elimination of abandoned farmland: using the creation of a Satoyama environment filled with flowers and bees as an example ● 3rd Workshop: Weed control that supports a prosperous life: addressing the weed problems faced by Nasukarasuyama City			

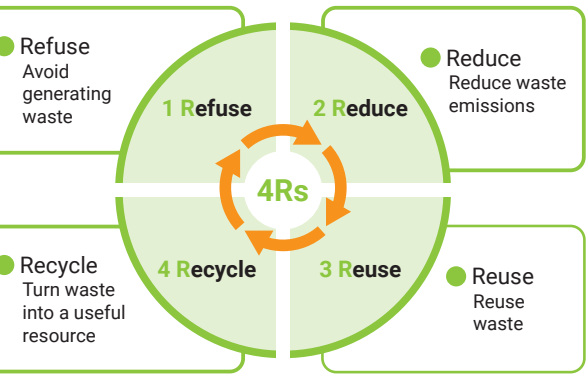
Strict Standards for Managing Water Resources

The Group works to reduce water usage through efforts in improving production efficiency, saving water, and recycling. We also thoroughly treat wastewater and manage water quality, complying with legal wastewater standards and standards set by local ordinances in the areas where our plants and research facilities are located. In Japan, we have set voluntary control values for wastewater that are stricter than the legal standards, and we manage the wastewater to ensure that it does not exceed the standard values.

Promoting Waste Reduction

The Group actively works on the 4Rs, while Nichino Service, a production site, promotes the goal of zero emissions.\*<sup>1</sup> For some products, we offer multiple packaging specifications tailored to each customer's needs, encouraging them to purchase the optimal

Our 4Rs Initiative



amount based on their requirements. In this way, we work to reduce waste agrochemicals and the amount of packaging used. For items other than products, we focus on reducing waste through green purchasing, and we have joined the Green Purchasing Network.

\*1 The final landfill amount of waste shall be less than 1% of generated volume.

Environmentally Friendly Materials Procurement

Some of our products use packaging made with biomass ink and rice ink. By replacing petroleum-based ink with these environmentally friendly inks, we can reduce the amount of petroleum resources used. The Group has also formulated the Basic Procurement Policy and Green Procurement Standards, and we promote environmentally friendly materials procurement.

Response to Environmental Problems

The Group shares any problems that occur within the Group as they arise. We use this information to horizontally deploy preventive measures and improvement initiatives to prevent environmental issues. We also provide environmental education for employees.

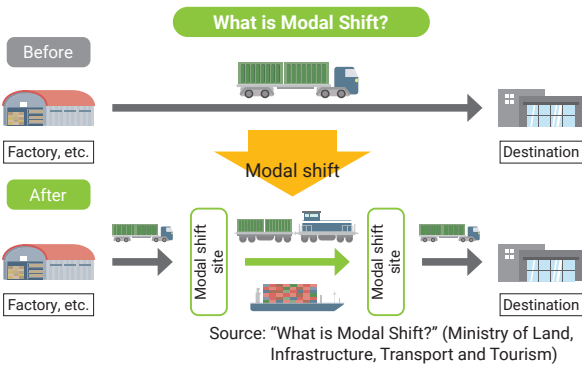
Initiatives for Environmental Assessment

Through Responsible Care activities and ISO 14001 (Environment Management Systems), the Group thoroughly complies with environmental laws, ordinances, and local agreements, etc., and takes into account its effect on the surrounding areas, considering factors such as the generation of noise, odor, or vibration.

TOPICS 1 Increasing the Modal Shift Rate

Nihon Nohyaku has endorsed the White Logistics Movement, an initiative put forward by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Ministry of Economy, Trade and Industry (METI) and Ministry of Agriculture, Forestry and Fisheries (MAFF). We have submitted our Declaration of Voluntary Action. Our modal shift rate\* in FY2024 was 20.5% (results in FY2023: 20.0%). We will continue to work on logistics efficiency, including the reduction of environmental impact.

\*Modal shift rate (ratio of railway freight and marine transport) = (railway freight and marine transport amount) / (total transport amount) x 100



TOPICS 2 Promoting Environmental Conservation Initiatives at Work and at Home

To ensure that employees are fully aware of environmental laws and regulations and to promote environmental conservation initiatives at work and at home, including the reduction of plastics, the Environment Safety & Quality Assurance Department issues the "Environment Safety News" newsletter to share information with all employees. The newsletter features information related to environmental safety.





# Expansion of Human Rights Management

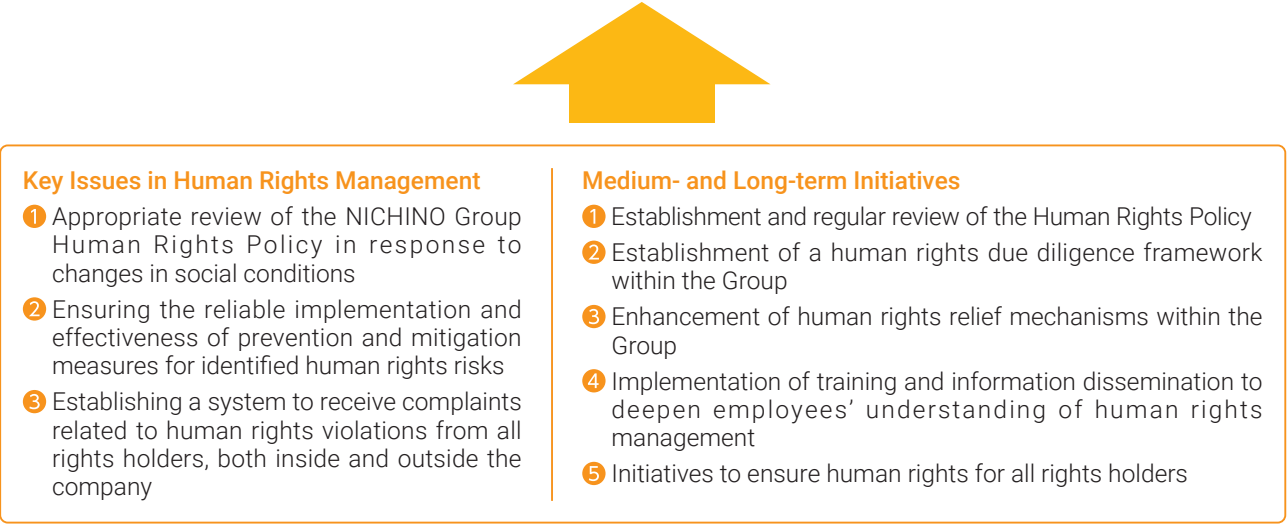
## NICHINO Group's Basic Approach to Human Rights Management

NICHINO Group positions respect for human rights as one of the most important management issues for the sustainable promotion of business. We respect the internationally recognized human rights of all people and conduct business activities in accordance with the

United Nations' "Guiding Principles on Business and Human Rights" and "Ten Principles of the Global Compact." We will fulfill our responsibility to respect the human rights of all stakeholders involved in the Group's business activities.

Ideal business model for 2030

All NICHINO Group employees respect the human rights and diverse values of all people and contribute to the realization of a society free of discrimination and prejudice.



FY2024 Results

1

Established the NICHINO Group Human Rights Policy

2

Identified human rights violation risks

3

Analyzed the importance of the identified risks

4

Confirmed the status of measures to address human rights violation risks

5

Established the company's human rights relief mechanisms

6

Determined our policy for addressing supplier issues in the context of human rights management

FY2025 Plan

1

Instill an understanding of the Human Rights Policy among employees

2

Expand human rights due diligence to Group companies

3

Confirm suppliers' agreement with the NICHINO Group Basic Procurement Policy

4

Establish human rights relief mechanisms at Group companies

5

Publish a declaration of partnership building

## Human Rights Management Promotion System

The President and Representative Director is responsible for overseeing the Group's human rights management, and the Division Manager of the Administration Division is responsible for implementing and promoting it. In addition, we have established a Human Rights Subcommittee as an advisory body to the Sustainability Committee.

## NICHINO Group Human Rights Policy

The Group established the Basic Human Rights Policy in May 2021.

In April 2024, we expanded upon this Basic Human Rights Policy by formulating the "NICHINO Group Human Rights Policy," which complies with the United Nations' "Guiding Principles on Business and Human Rights."

## Human Rights Due Diligence

The Group engages in human rights due diligence in accordance with the United Nations' "Guiding Principles on Business and Human Rights," aiming to promote human rights management through its business activities.

## 1) Study on Negative Impacts (Human Rights Violation Risks) in Business and Human Rights

Based on internal documents and publicly available government documents, Nihon Nohyaku has identified human rights violation risks and verified them through workplace discussions, interviews with experts, and consultations with labor unions. This ensures comprehensiveness and objectivity. We identified 18

human rights violation risks related to safety and health, compliance, and personnel and labor, among others.

We analyzed the significance of the identified human rights violation risks based on their severity and likelihood, in accordance with government guidelines. We reviewed the status of our measures to address these risks, especially regarding the five risks with the highest level of severity.

## Measures to Address Human Rights Violation Risks at Nihon Nohyaku

Human rights violation risk	Main rights holders	Measures to address the human rights violation risk
Adverse effects on the safety of general consumers	Local residents, consumers, general public	<div>● Implementation of awareness-raising activities for general consumers (external workshops)</div> <div>● Establishment of consultation services</div>
Adverse effects on the safety of agricultural producers	Agricultural producers	<div>● Promotion of compliance with registered agrochemical usage</div> <div>● Proper response in case of poisoning incidents (in cooperation with extra-governmental organizations)</div>
Accidents Occupational/equipment accidents	Employees Including contractors and subcontractors working on our business sites	<div>● Responsible Care activities (occupational safety and health, equipment safety)</div>
Accidents Triggering environmental pollution	Local residents	<div>● Responsible Care activities (chemical and product safety, logistics safety)</div>
Harassment	Employees Including contractors and subcontractors working on our business sites	<div>● Establishment of internal regulations to prevent harassment and dissemination of harassment prevention manuals</div> <div>● Employee education</div> <div>● Establishment of consultation services</div>

Moving forward, we will review our analysis of the importance of the 18 identified human rights violation risks and confirm the implementation status of our measures to address them. In this way, we will strive to prevent human rights violations throughout the NICHINO Group, as well as those specific to each company.

## 2) Ensuring Human Rights Throughout the Supply Chain

The Group promotes the following initiatives to fulfill its social responsibility throughout the supply chain, based on the NICHINO Group Basic Procurement Policy. We aim to realize a sustainable society by building good relationships with our business partners, asking them to agree with and practice this Basic Procurement Policy.

### (1) Questionnaire Survey of Suppliers

In FY2023, we provided information about our Basic Procurement Policy. We also used the CSR procurement self-assessment tool (SAQ) provided by Global Compact Network Japan to conduct a questionnaire survey of business partners in Japan. The questionnaire survey was distributed to 142 companies, and responses were received from 129 companies (91%), confirming the status of their initiatives. In 2025, we will continue to work with business partners to promote sustainable procurement activities based on our Basic Procurement Policy.

### (2) Declaration of Partnership Building

Nihon Nohyaku has endorsed the purpose of the Council on Promoting Partnership Building for Cultivating the Future, promoted by the Cabinet Office, the Ministry of Economy, Trade and Industry, and the Small and Medium Enterprise Agency. We announced our Declaration of Partnership Building on May 20, 2025. Striving for mutual prosperity, we pursue the development of new partnerships by collaborating with business partners in the supply chain and companies aiming for value co-creation.

## Human Rights Relief Mechanisms

Nihon Nohyaku, its domestic Group companies, and its major overseas Group companies have established the whistleblowing system for all officers and employees. From FY2025, we are also pursuing the establishment of external reporting and consultation channels for stakeholders in our supply chain, so that companies, organizations, and employees affected by human rights violations related to the business activities of Nihon Nohyaku and the NICHINO Group can receive appropriate relief.

Human rights relief contact point:  
<https://www.nichino.co.jp/inquiry.html>

# Enhancing the Culture for Safety

## Initiatives Toward Safety Management

At the NICHINO Group, we have pursued ongoing safety activities, and we announced the NICHINO Group Safety Management Declaration in 2025 to foster a more advanced culture for safety and strengthen safety initiatives.

## Basic Concept

With the belief that employee safety is a fundamental prerequisite, NICHINO Group is committed to ensuring that its employees comply with regulations and constantly maintain a safe working environment. NICHINO Group regards safety management as an essential management issue and is committed to addressing it as a Group-wide initiative.

### NICHINO Group Safety Management Declaration

Under the policy “Safety First, No Growth without Safety,” NICHINO Group aims for zero occupational accidents by fostering a culture for safety and creating a safe and secure working environment for our employees.

**Hiroyuki Iwata**  
President and Representative Director

## Safety Management Promotion System

The Responsible Care Promotion Committee and its secretariat, the Environment Safety & Quality Assurance Department, play a central part in operations to promote safety management.

## Main Initiatives

We will expand our existing Responsible Care promotion activities to further foster a culture of safety from the perspectives of mutual awareness and enhanced resilience.

### Ideal business model for 2030

- **“Occupational safety & health”**: Increase each employee’s safety consciousness through education and training on mutual awareness and resilience, and achieve zero occupational accidents and zero commuting accidents by fostering a culture of safety
- **“Stewardship throughout the product life cycle”**: Thoroughly ensure the safety management of our products, enabling all stakeholders to use our products safely
- **“Quality control and quality assurance”**: Thoroughly ensure the quality control and quality assurance of our products, enabling all stakeholders to use our products safely
- **“Chemical substance management”**: Thoroughly disseminate information on the dangers and hazards of chemical substances and thoroughly implement risk management

## Challenges to achieving our ideal business model

- **“Occupational safety & health”**: Further enhance the safety awareness of each employee, including the management team
- **“Stewardship throughout the product life cycle”**: Strengthen information sharing and collaboration with logistics companies to address the logistics issues that represent social challenges
- **“Quality control and quality assurance”**: Enhance the quality control and quality assurance systems and reduce the loss of time and resources due to nonconforming products
- **“Chemical substance management”**: Accurately ascertain and disseminate information on the dangers and hazards of chemical substances, even where not required by law or regulation. Conduct appropriate information gathering and provision suited to the region (both in Japan and overseas), particularly for our own products and compounds under development  
Strengthen the chemical management system across the entire Group

## Results for FY2024 and Plan for FY2025

Item	Target	FY2024		FY2025 (Plan)
		Level of achievement	Result	
Occupational safety & health	Achieve zero accidents globally	Not achieved	7 accidents with workdays lost,* 3 accidents without workdays lost, 1 commuting accident (Compared with the previous fiscal year: 4 more accidents with workdays lost, same number of accidents without workdays lost, 3 less commuting accidents)	<ul style="list-style-type: none"><li>● Expand our existing Responsible Care promotion activities to further foster a culture of safety from the perspectives of mutual awareness and enhanced resilience</li><li>● Zero occupational and commuting accidents</li></ul>
Quality control and quality assurance	Zero product recalls	Achieved	0	<ul style="list-style-type: none"><li>● Progressively enhance the quality control and quality assurance systems</li><li>● Zero product recalls</li></ul>
Stewardship throughout the product life cycle	Zero poisoning accidents requiring reports under the Consumer Product Safety Act	Achieved	0	<ul style="list-style-type: none"><li>● Zero poisoning accidents requiring reports under the Consumer Product Safety Act</li><li>● Thorough safety management and appropriate information provision</li></ul>
Chemical substance management	<ul style="list-style-type: none"><li>● Strengthen chemical substance management at business sites</li><li>● Continue to prepare and revise safety data sheets (SDS) in compliance with the latest regulations</li></ul>	Continuing	<ul style="list-style-type: none"><li>● Implemented additional audits of activities involving the management of chemical substances at business sites</li><li>● Promptly provided SDSs</li></ul>	<ul style="list-style-type: none"><li>● Progressively enhance the chemical substance management system through the establishment of a dedicated department</li><li>● Establish regulations for conducting specialized chemical substance management audits at business sites</li><li>● Prepare and revise SDSs in response to pressing legal amendments</li></ul>

\*There were an unusually high number of accidents with workdays lost in FY2024, totaling 7 cases, with 4 domestic and 3 overseas. One of these was the fatal accident at the Nichino Service Saga Plant, which occurred in July 2024. We are working to strengthen our safety foundation and prevent any recurrence by analyzing the causes and identifying hazardous areas. We uphold the policy of “Safety First, No Growth without Safety,” and strive to foster a culture for safety based on mutual awareness. The entire Group is fully committed to working together to achieve safe operations and ensure that such accidents never occur again.

## Occupational Safety & Health, Process Safety & Disaster Prevention

### Global Zero Accidents

#### Domestic Group Companies

As part of the Responsible Care activities, we work toward the goal of achieving zero occupational/commuting accidents and serious equipment-related accidents through the Occupational Safety & Health and Process Safety & Disaster Prevention Code. Regular safety and health committee meetings are held at all sites, regardless of whether they are offices, laboratories, or other facilities. Furthermore, all commercial vehicles are equipped with dashboard cameras, and ratings of driving by insurance companies are used to raise awareness about safe driving.

#### Overseas Group Manufacturing Companies

In addition to initiatives based on ISO 45001 (Occupational Safety & Health Management System), we promote zero accidents in the context of our Responsible Care activities.

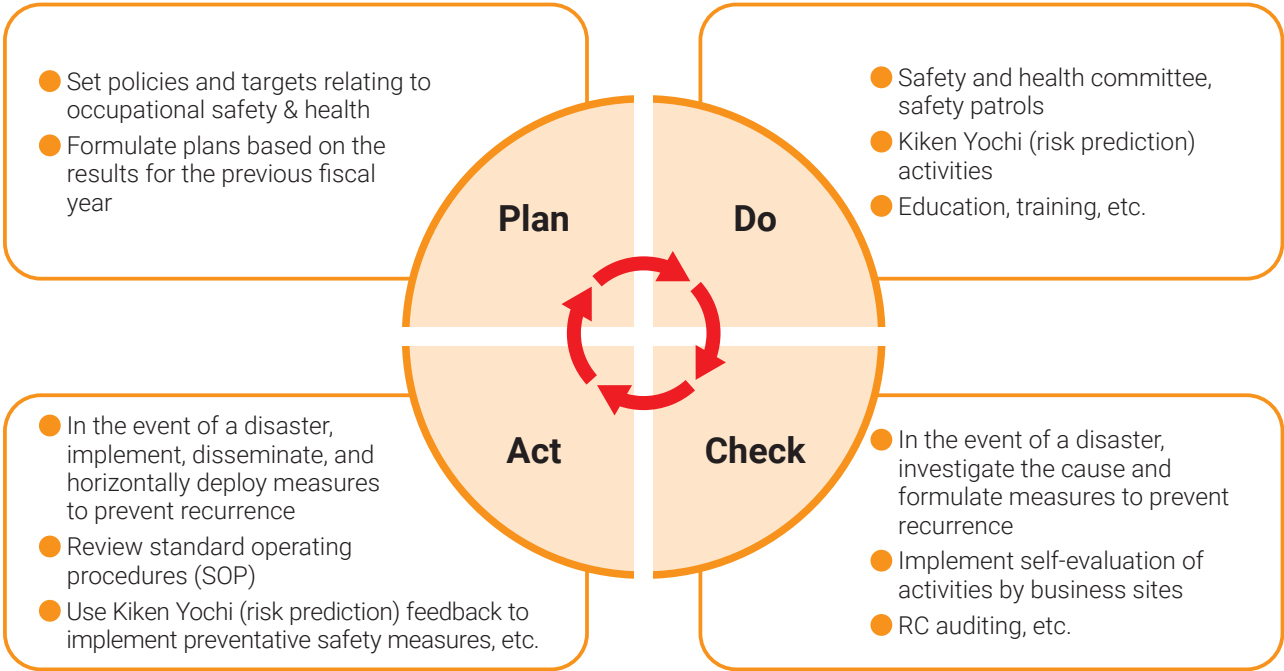
#### NICHINO Group

We prioritize the speed of information sharing so that disaster and accident information from the ADEKA Group and NICHINO Group can be shared, and measures to prevent recurrence can be considered for horizontal deployment at each business site, enabling measures aimed at preventing any occurrence, even at sites where incidents have not occurred. We will continue to strengthen existing activities, such as identifying dangerous areas on-site, Kiken Yochi (risk prediction) activities, and risk assessments, while also expanding Responsible Care promotion activities to steadily foster a culture of safety from the perspectives of mutual awareness and enhanced resilience.



Enhancing the Culture for Safety

PDCA Cycle of Safety Management



Global Occupational Safety Audit System

The Environment Safety & Quality Assurance Department conducted audits of overall Responsible Care activities, including occupational safety and health, at all plants and offices of Group companies in Japan and manufacturing sites overseas to enhance monitoring and check-and-balance functions. Audits consist of confirming whether improvement measures against accidents have been implemented at work sites and providing instruction on improving the safety of their activities. Going forward, we plan to develop a global audit system based on Responsible Care and ISO methods and to audit offices in the Group outside Japan other than manufacturing sites.

Avoiding Accidents in the Research Stage

To implement a high level of safety management for research activities at NICHINO Group's research sites, we continuously encourage employees to acquire national qualifications, such as hazardous materials handler qualifications, to increase the number of qualified personnel. We also conduct safety activities with an emphasis on avoiding accidents through Kiken Yochi (risk prediction) activities, risk assessment, safety education, and safety patrols led by business sites' safety and health committees, as well as holding various drills aimed at keeping damage to a minimum in the unlikely event of an accident. We carry out safety activities from a wide range of approaches, such as conducting risk assessments based on actual accidents that occurred at other offices and conducting multifaceted safety research from the early stages of research.

Eliminating Serious Accidents at Production Sites

All of the Group's production sites have acquired ISO 45001 and promote safety activities and equipment maintenance using an Occupational Safety & Health Management System. Nichino Service carries out risk assessment on a 5-stage scale, and with a company policy of eliminating level 3 or higher risks, it works to reduce risks by reviewing work procedures and improving equipment based on the results of assessment. We have also started deliberations on developing an intelligent and automated smart factory that considers not only production efficiency but also safety. We are engaged in preventing and eliminating accidents at our overseas production sites. Going forward, we will carry out initiatives to improve our management level through regular inspections and audits.



Firefighting training (Nichino Service Kashima Plant)

Providing High Quality Products

Quality Control and Quality Assurance

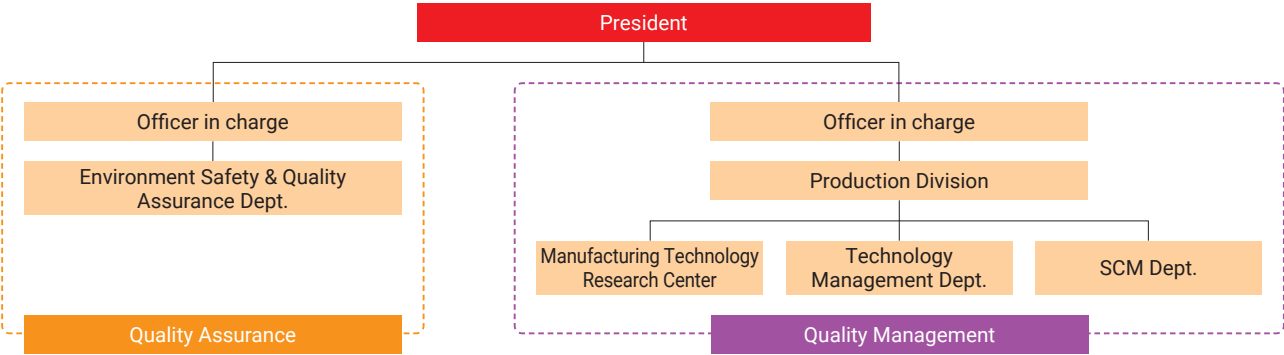
We work to ensure product quality and safety in every stage of the value chain, from R&D through manufacturing, sales, logistics, use, and final consumption to disposal and recycling, based on our basic policy for Responsible Care. To fortify supervision and control functions, we have consolidated the quality assurance function into the Environment Safety & Quality Assurance Department. Product quality is handled by two departments, the Environment Safety & Quality Assurance Department, which handles quality assurance, and the Production Division, which handles quality control. We carefully deliberate with Nichino Service, the Group's manufacturing company, to manage quality with a focus on their maintenance and improvement. In our production process for technical grade ingredients,\*1 we practice quality management that applies GMP management

\*1 Active ingredients of agrochemicals \*2 Product Liability

methods (production management and quality management standards for pharmaceuticals).

The Environment Safety & Quality Assurance Department conducts audits on contract manufacturers outside the Group from an independent standpoint. We conduct risk management for product liability (PL\*2) to prevent issues. In addition, we visualize the status of responses to complaints received in relation to our products with an internal database to promote a rapid and accurate response. We will thoroughly implement the PDCA cycle based on past complaints and problems, and enhance our quality control and quality assurance systems to enable efficient development, design, and manufacturing that meet our quality and safety standards.

Nihon Nohyaku's Quality Management System



Appropriate Management of Chemical Substances

The Group creates Safety Data Sheets (SDSs) for agrochemicals, non-agrochemical products, and samples for testing and research to ensure the safe handling of chemical substances and prevent injuries and accidents. We also provide information on agrochemical products on Nihon Nohyaku's corporate website. With frequent revisions to the Industrial Safety and Health Act, we are focusing on preparing and updating SDSs for each item to comply with the latest laws and regulations. At business sites where chemical substances are handled, we have appointed chemical substance managers and protective equipment managers in accordance with other legal requirements to conduct risk assessments. We have built an SDS library on the company intranet to allow the Group's plants and offices to access SDSs as needed — including those for raw materials and products.

Promoting Stewardship through the Product Life Cycle

The Group focuses on safety management throughout the product life cycle, from research to manufacturing, use, and disposal, and provides appropriate information. Particularly during the research and development stage, we conduct voluntary audits based on our own internal regulations, and continuously engage in initiatives to ensure product safety, also known as "Product Stewardship." In addition, we have set up a phone number and a contact form on our website as points of contact for inquiries and consultation regarding our various products and agrochemicals in general. We provide the Japan Poison Information Center with SDSs of our products to support inquiries from medical institutions and other relevant parties in case of any poisoning incidents involving our products. In FY2024, the center received 11 inquiries related to our products, none of which involved poisoning accidents that required reporting under the Consumer Product Safety Act.

Nihon Nohyaku Co., Ltd.	Agrochemical products in Japan (Customer service center)	+81-570-09-1177
	Pharmaceuticals and animal health products (Pharmaceuticals Dept.)	+81-50-3490-3514
Nichino Ryokka Co., Ltd.	Agrochemical products and greening materials in Japan	+81-3-3808-2281
AgriMart Corporation	Termiticides and environment-related materials	+81-3-5159-1711

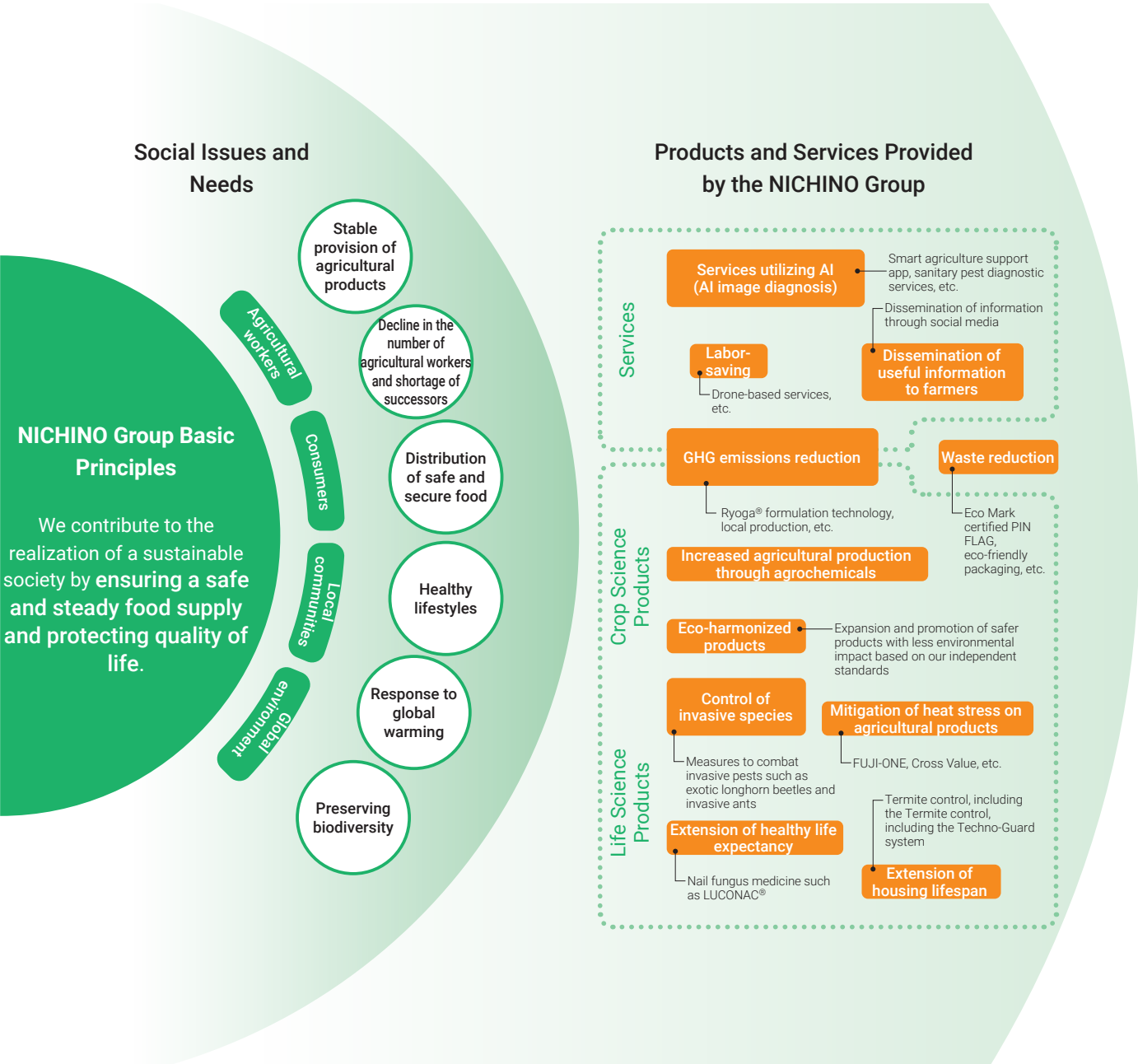
# Development of Technologies and Products that Meet the Needs of Society

## Social Issues and Our Solutions

Amid serious challenges such as the declining number of agricultural workers and global warming, we support the safe and stable supply of food by developing AI diagnostic applications and drone-compatible agrochemical products, and environmentally friendly eco-harmonized products. We also leverage our technology to contribute to the development of pharmaceuticals and termite control technologies, helping to satisfy people's needs for health and quality of life. In addition, we are actively working to reduce






greenhouse gas (GHG) emissions through new formulation technologies and preserve biodiversity by controlling invasive species. In these ways, we hope to achieve sustainable agriculture and society.

We will continue to apply our core technologies to meet a wide range of needs at a high level. This includes reducing environmental impact through the expansion of our AI image diagnosis capabilities for the early detection and timely control of pests, supporting new farmers, and promoting awareness of agrochemical safety.



# Community Involvement

## Engagement with Stakeholders

	Purpose/Theme	Main Initiatives	Related Information
 Customers	<ul style="list-style-type: none"><li>Development of technologies and products that meet the needs of society</li><li>Education and awareness-raising on the correct use of agrochemicals and improving the understanding of consumers regarding agrochemical use</li></ul>	<ul style="list-style-type: none"><li>Creation of new agrochemicals, pharmaceuticals, and animal health products</li><li>Creation of eco-harmonized products</li><li>Contribution to smart agriculture</li><li>Establishment of customer consultation service</li><li>Disclosure of business information through our website</li></ul>	<ul style="list-style-type: none"><li>Development of Technologies and Products that Meet the Needs of Society (p.57)</li><li>Strengthening the Development of Eco-harmonized Products (p.24)</li><li>Promoting Stewardship through the Product Life Cycle (p.56)</li><li>Smart Agriculture (p.36)</li></ul>
 Shareholders and Investors	<ul style="list-style-type: none"><li>Appropriate and timely disclosure</li><li>Constructive dialogue</li><li>Feedback to the management</li></ul>	<ul style="list-style-type: none"><li>Holding of Earnings Conference (twice a year) and the General Meeting of Shareholders (once a year)</li><li>IR meetings with institutional investors and analysts</li><li>Tours of the Research Center and other IR events</li></ul>	<ul style="list-style-type: none"><li>Communication with Our Shareholders and Investors (p.58)</li><li>IR webpages on Nihon Nohyaku's website</li></ul>
 Employees	<ul style="list-style-type: none"><li>Employee engagement</li><li>Human capital development and skill development</li><li>Development of comfortable work environment</li></ul>	<ul style="list-style-type: none"><li>Career autonomy and increased growth opportunities</li><li>Realizing flexible workstyles</li><li>Development of internal reporting system</li><li>Activities toward zero accidents</li></ul>	<ul style="list-style-type: none"><li>Engagement (p.42)</li><li>Human Capital Management (p.40)</li><li>Compliance (p.69)</li><li>Enhancing the Culture for Safety (p.53)</li></ul>
 Business Partners	<ul style="list-style-type: none"><li>Fair and equitable business relations</li><li>Sustainability promotion on the supply chain</li></ul>	<ul style="list-style-type: none"><li>Implementation of questionnaire surveys of suppliers</li><li>Declaration of Partnership Building</li><li>Promotion of White Logistics</li></ul>	<ul style="list-style-type: none"><li>Expansion of Human Rights Management (p.51)</li><li>Enhancing the Culture for Safety (p.53)</li><li>Increasing the Modal Shift Rate (p.50)</li></ul>
 Local Communities and Society	<ul style="list-style-type: none"><li>Contribution to the sustainable development of international society</li><li>Environmental conservation</li><li>Support for regional revitalization</li></ul>	<ul style="list-style-type: none"><li>Creation of new agrochemicals, Pharmaceuticals, and Animal health products</li><li>Creation of eco-harmonized products</li><li>Activities to reduce GHG emissions</li><li>Response to TCFD Recommendations</li><li>Training and tours at business sites</li><li>Nichino Scholarship Fund</li></ul>	<ul style="list-style-type: none"><li>Development of Technologies and Products that Meet the Needs of Society (p.57)</li><li>Raising the Level of Environmental Management (p.47)</li><li>Sustainability website "Communication with the Public" on Nihon Nohyaku's website</li></ul>

## Communication with Our Shareholders and Investors

To promote constructive dialogue with stakeholders, Nihon Nohyaku has established a disclosure policy. We strive to appropriately disclose both financial and non-financial information and ensure the transparency of management. We hold an Earnings Conference each half year and individual IR meetings each quarter. The

Earnings Conferences are available on demand on our website. We provide highly reliable information through the issuance of shareholder newsletters and business reports, as well as the disclosure of materials in our online IR library.

## Main Themes of Dialogue with Shareholders and Investors

### Shareholder Relations Activities

- Reducing environmental impact and promoting GHG emissions reduction targets
- Developing and expanding sales of eco-harmonized products
- Response to TCFD recommendations and climate change strategy
- Human capital management and promotion of DE&I (promoting women's participation, employment of persons with disabilities, etc.)
- Ensuring human rights throughout the supply chain and enhancing the culture for safety
- Strengthening corporate governance (Board of Directors effectiveness evaluation, remuneration system, etc.)

### IR Activities

- Contributing to sustainable agriculture and developing eco-harmonized products
- Business expansion in the global market and increasing the overseas sales ratio
- Creating new products and boosting competitiveness by strengthening research and development capabilities
- Improving profitability through cost structure reform
- Progress of the Medium-Term Management Plan and explanation of strategic priority measures
- Reporting on the status of ESG (environmental, social, and governance) initiatives

IR Calendar		
May	Announcement of the full-year financial results and Earnings Conference for the previous fiscal year	All year IR website updates IR and SR interviews
June	Ordinary General Meeting of Shareholders and publication of the Annual Report for the previous fiscal year	
August	Announcement of the financial results for the three months ended June 30	
November	Announcement of the financial results for the six months ended September 30 (first half) and Earnings Conference for the first half	
December	Publication of the Message to Shareholders for the first half of the fiscal year	
February	Announcement of the financial results for the nine months ended December 31	



# Strengthening Corporate and Organizational Governance



## Corporate Governance

The NICHINO Group aims to be a corporate group that is trusted by various stakeholders such as shareholders, customers, employees, business partners and local communities. From the perspective of promoting sustainable growth and enhancing corporate value over the medium to long term, we always strive for the best corporate governance based on the following fundamental principles.

## Approach to Corporate Governance

Through efforts to realize the NICHINO Group's Basic Principles, Action Charter and Vision, we aim to be a corporate group that is trusted by various stakeholders such as shareholders, customers, employees, business partners and local communities. We will build an effective corporate governance structure to achieve sustainable growth and improve medium to long term corporate value.

### Main Initiatives Related to Corporate Governance Over the Past Decade

	November 2015	Established the Nihon Nohyaku Corporate Governance Guidelines Established the Governance Committee and appointed an independent officer as Chairperson
	December 2015	Appointed the first female officer
	June 2016	Commenced annual evaluations of the effectiveness of the Board of Directors by the Governance Committee
	July 2016	Held the first annual meeting of independent officers
	December 2019	Introduced a performance-linked stock-based remuneration plan for officers
	June 2020	Transitioned to a company with an Audit and Supervisory Committee Changed the composition of the Board of Directors so that Independent Outside Directors account for at least one third of the members Appointed the first female Executive Officer
	October 2020	Established the CSR Committee at the same level as the Management Committee
	April 2022	Transferred to the Tokyo Stock Exchange Prime Market through a reorganization of market categories
	June 2023	Merged the CSR Committee and the Management Committee to form the Board of Executive Officers
	June 2024	Changed the composition of the Board of Directors so that female Directors account for at least one third of the members
	October 2024	Introduced environment-related and human capital indicators as evaluation indicators for the performance-linked stock-based remuneration plan for officers
	June 2025	Changed the composition of the Board of Directors so that Independent Outside Directors form a majority Appointed an Independent Outside Director (female) as Chairperson of the Board of Directors

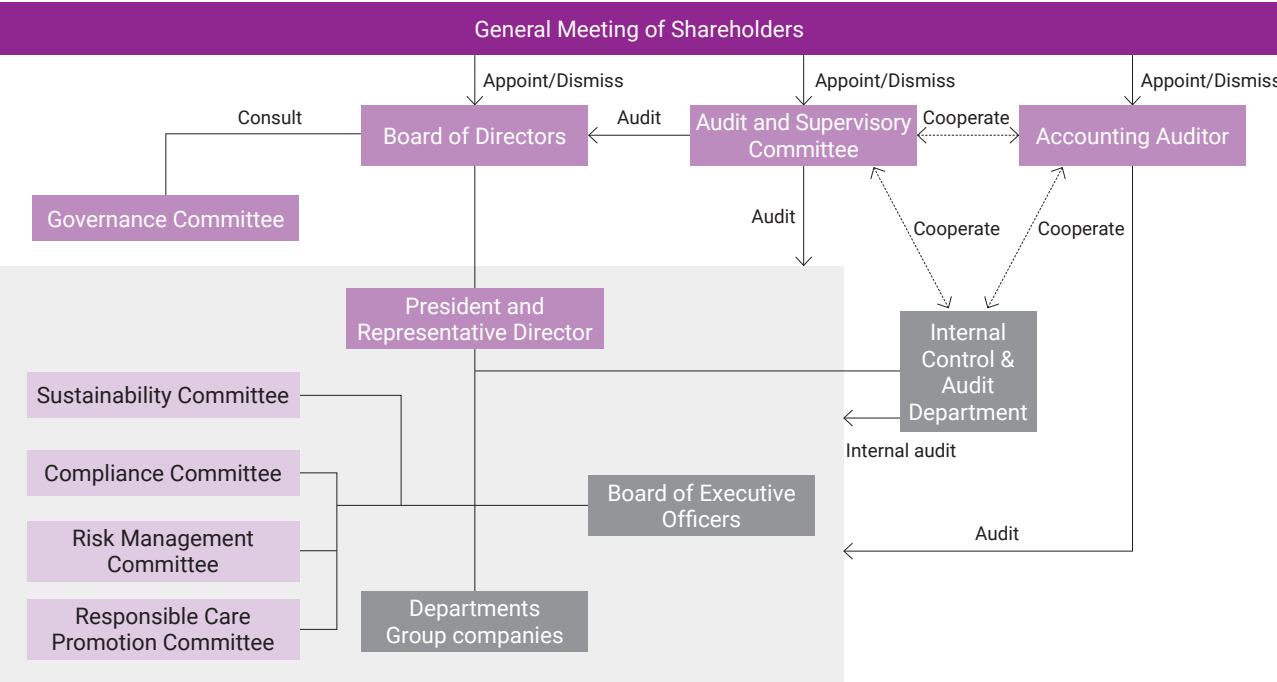
## Corporate Governance Structure and Initiatives

Nihon Nohyaku has adopted the form of a company with an Audit and Supervisory Committee. The purpose is to strengthen the supervisory function of the Board of Directors and enhance corporate governance by appointing Audit and Supervisory Committee members, who are responsible for auditing the execution of duties by Directors, as members of the Board of Directors.

In addition, the Governance Committee (members: 8 as of June 18, 2025), where a majority of members are independent officers, has been established as an

advisory body to the Board of Directors. The Governance Committee further enhances corporate governance by deliberating and reporting—upon a consultation request from the Board—on the appropriateness of the process for appointing/dismissing candidates for Director of Nihon Nohyaku, their qualifications and reasons for appointment, evaluations of the effectiveness of the entire Board of Directors, and the officer remuneration system.

Corporate Governance Diagram (as of June 18, 2025)



Corporate Governance Structure and Initiatives (as of June 18, 2025)

● Number of Board of Directors Members	Chairperson (Outside Director, female)
Independent Outside Directors	6 (4 of whom are women)
Internal Directors	5
Directors (excluding Directors who are Audit and Supervisory Committee members)	7 (2 of whom are women)
Directors who are Audit and Supervisory Committee members	4 (2 of whom are women)
● Percentage of Independent Outside Directors	54.5%
● Female Directors (percentage)	36.4%
● Average attendance rate of Directors (excluding Directors who are Audit and Supervisory Committee members) at Board of Directors meetings in FY2024	100.0%
● Average attendance rate of Directors who are Audit and Supervisory Committee members at Board of Directors meetings in FY2024	98.5%
● Average time required for Board of Directors meetings in FY2024	112 minutes
● Governance Committee	Chairperson (Outside Director)
Outside Directors	6 (4 of whom are women)
Internal Directors	2

Strengthening Corporate and Organizational Governance

Main Matters of Deliberation by the Board of Directors (FY2024)

In FY2024, the Board of Directors carefully deliberated on important matters directly linked to enhancing corporate value to ensure the soundness and transparency of management. Regarding approval of the fiscal year-end financial statements and the matters to be submitted to the General Meeting of Shareholders, the Board held discussions emphasizing dialogue with shareholders with regard to business performance summary, dividend policy, and management policy. Regarding its review of the executive structure, the Board of Directors approved personnel changes designed to make Outside Directors comprise the majority of the Board, thus enhancing the diversity and independence of management. Concerning risk management, the Board considered the renewal of the directors and officers liability insurance, as well as environmental measures for, and the sale of, owned real

estate. Regarding the remuneration system, the Board approved the continuation of the stock-based remuneration plan to ensure transparency and the consistency of incentives. The Board also approved the guarantee of debts of overseas subsidiaries, strengthening the Group's financial base for global expansion.

Analysis and Evaluation of the Effectiveness of the Board of Directors Overall

The Board of Directors conducts a questionnaire survey for Directors every year concerning the effectiveness of the entire Board of Directors. The Governance Committee is consulted regarding the results of analysis and evaluation of the effectiveness of the Board of Directors based on the results of this questionnaire survey. Efforts are made to continuously improve issues identified based on the content of the reports.

Main matters proposed as issues	Improvement measures
Further consideration of the appropriate numbers (proportions) of Internal Directors and Independent Outside Directors	Submitted a proposal to the General Meeting of Shareholders in June 2025 to make Independent Outside Directors account for the majority of members of the Board of Directors
Further improvement of materials for meetings of the Board of Directors (enhanced consolidated information, improved quality of information in monthly financial reports, etc.) and strengthening of advance briefings on key matters	Improve meeting materials and enhance consolidated information; thorough advance briefings and early provision of materials concerning key matters
Stronger supervisory and monitoring functions relating to overseas consolidated subsidiaries and the enhancement of internal control systems	Enhance information regarding overseas subsidiaries and implement briefing sessions on the company's auditing systems for Outside Directors
Ensuring opportunities for Board members to freely discuss important matters such as management policies and business strategies	Utilize executive training sessions and other opportunities to provide regular forums for open discussion
Establishment of systems to coordinate between Directors and the Internal Audit Department	Implement briefing sessions on the internal audit function for Outside Directors and consider information exchange between Outside Directors and the Internal Audit Department

Activities Report for Committees in FY2024

Committee	Governance Committee	Sustainability Committee	Compliance Committee	Risk Management Committee	Responsible Care Promotion Committee
Role	Improve the effectiveness of the Board of Directors and consider the executive appointment and remuneration systems	Umbrella organization for the three committees shown to the right	Promote corporate ethics and legal compliance	Manage corporate risk and respond to it	Promote responsible corporate activities relating to the environment, safety, and quality
Activity Details	<div>Reviewed the processes for appointing and dismissing Directors, their qualifications, and independence standards</div> <div>Reviewed the officers' remuneration system</div> <div>Evaluated the effectiveness of the Board of Directors</div> <div>Provided recommendations to support decision-making by the Board of Directors</div>	<div>Indirectly supported the activities of each committee/ Drafted basic policies regarding sustainability/ Highlighted key issues; considered, supported, and managed response measures/Engaged with sustainability-related issues</div>	<div>Managed the internal reporting system</div> <div>Enhanced the reporting system for legal violations and compliance issues/ Implemented education and awareness-raising activities</div>	<div>Identified management and departmental risks and formulated preventive measures</div> <div>Drafted response measures to implement if risks materialize</div> <div>Executed and managed risk management methods/ Established and managed working groups and councils</div>	<div>Determined promotion policies and disseminated them internally</div> <div>Overall management</div> <div>Reported to the Board of Executive Officers and the Board of Directors</div>

Policies on Determining Directors' Remuneration

The policies on determining the contents of remuneration, etc. for individual Directors are determined by the Board of Directors after it receives opinions from the Governance Committee, which is a voluntary advisory body of the Board of Directors, on officers' remuneration. The ratio of type of remuneration for Executive Directors shall be determined in consideration of factors including

the long-term R&D-based business characteristics of Nihon Nohyaku, the Director's position, duties, standards at other companies, and social trends. The ratio between basic remuneration, bonuses and performance-linked stock-based remuneration during the period to which a medium-term management plan applies will be about 8:1:1.

Evaluation Indicators, Numerical Targets, and Proportion of Performance-Linked Compensation

Classification	Evaluation indicator	Numerical target (KPI)	Proportion in total performance-linked compensation
Financial indicators	Consolidated operating profit for FY2026	10.8 billion yen	40%
	Consolidated net sales for FY2026	120.0 billion yen	20%
	Consolidated ROE for FY2026	8.0%	20%
Environment-related indicators	GHG emissions reduction rate for FY2026 (vs. FY2020) (Nihon Nohyaku Co., Ltd. and consolidated subsidiaries with production sites)	16.0% Scope 1+2	5%
	Consolidated net sales of eco-harmonized products for FY2026	39.3 billion yen	5%
Human capital indicators	Percentage of female managers as of March 31, 2027 (Nihon Nohyaku Co., Ltd.)	13.0%	5%
	Engagement survey score as of March 31, 2027 (Nihon Nohyaku Co., Ltd.)	70	5%

Succession Plan

We promote human capital development and succession planning across the Group to strengthen our global management structure. Aiming to cultivate and pass on human capital to support sustainable growth, we established the Human Capital Development Committee in 2023, composed of division managers and above, and have begun visualizing and systematically developing the next generation of potential senior managers. We define potential senior managers (general managers of Nihon Nohyaku and executives of Group companies) as Talent Pool 1 (TP1) and next-generation potential senior managers (chief managers and Group company department general managers) as Talent Pool 2 (TP2). For TP2, we progressively plan and implement

development programs through meetings that include overseas Group companies. We also promote talent exchange from a global perspective, coordinating among candidates while also considering potential future department general managers and female managerial candidates. Regarding the promotion from TP1 to top management positions, we select executive officers based on a comprehensive perspective. In addition to the skills matrix presented in the Notice of the General Meeting of Shareholders, we also consider candidates' legal compliance, sense of mission, leadership, resilience, strategic thinking, and crisis management abilities.



Enhancing and Strengthening Internal Control Systems

At Nihon Nohyaku, the Audit and Supervisory Committee exercises management evaluation authority in order to enhance the checking function of the governance structure in two ways. One, by checking the legality and validity of the execution of business by NICHINO Group, and two, by the right to state opinions regarding the appointment of Directors who are not Audit and Supervisory Committee members.

The Internal Control & Audit Department conducts internal audits based on the internal audit plan set forth each fiscal year to promote the improvement of operations. Moreover, they exchange information and hold meetings in a timely and appropriate manner so that each audit, including accounting audits by auditing firms, functions efficiently and effectively.



### Three-Way Discussion Between Outside Directors



**Noboru Matsumoto**  
Outside Director

**Chizuko Nakata**  
Outside Director

**Shiyo Yamana**  
Outside Director

In this panel discussion, three Independent Outside Directors talk about the roles that outside directors should perform, the effectiveness of corporate governance, and measures to address risks, including risks associated with overseas business expansion. Incorporating their own expert perspectives, they discuss the challenges and prospects for the company's sustainable growth.

### Leveraging Perspectives from Outside the Company to Inject Diverse Insights into Management

— What aspects do you consider especially important in performing the role of Outside Director?

**Nakata** I have experience in the roles of Audit & Supervisory Board Member, Audit & Supervisory Committee Member, and currently as Outside Director. Through these experiences, I have gained a strong appreciation of the fact that the company's internal concept of "common sense" does not always align with the "common sense" of society in general. I believe that our fundamental role as Outside Directors is to inject a different perspective into the company's internal logic and help it become aware of any unconscious oversights or assumptions.

**Matsumoto** In my role, I always try to assess how current decisions will impact the future from a medium- and long-term perspective. When we consider agenda items at meetings of the Board of Directors, they have already been fully discussed and debated within the executive division. Therefore, rather than trying to put the brake on

these proposals, I make a point of providing opinions aimed at exploring whether there are any gaps in the process, in a way that can actually speed things up or facilitate course correction.

**Yamana** Since taking office as an Outside Director last year, my main impression has been that Outside Directors are required to maintain a sense of distance and objectivity. We must support the management team as companions, while also keeping a certain distance from them. On the other hand, it's vital that we maintain a calm, objective, and critical perspective. This is more about keeping a sense of balance than logic.

**Nakata** Although we are "outside" members of the Board, we also serve as partners, guiding management in a better direction. I think there are times when we are expected to speak our thoughts candidly, without hesitation.

### Supporting Management from the Diverse Perspectives of Accounting, Corporate Management, and Risk Management

— Tell us about your individual areas of expertise.

**Nakata** My position as a CPA makes me very sensitive to numbers. Forecasting is especially crucial in situations involving large investments such as M&A, and we carefully examine the validity of these forecasts and whether their underlying assumptions are sound. It is precisely when management is eager to proceed that we need to adopt a calm and objective perspective, raising questions that are difficult to voice, like "Why buy a company that is forecasting a decline in profits?"

**Matsumoto** I have worked for many years in sales and marketing, and I believe that it is important to have a practical sense of the business field and the dynamism of the market. I am consciously focused on management decision points: when and where to switch gears. As a company, Nihon Nohyaku is approaching its centenary, with agrochemicals as its core business and sales on the scale of 100 billion yen. I feel that we need strategies and product development that will provide the next engine of the company's growth.

**Yamana** In my career, I have specialized in risk management, particularly in the financial industry. My role is to consider how to apply frameworks such as

operational risk management to Nihon Nohyaku, a manufacturing company, and how to enhance the organization's risk resilience and governance. Specifically, when the accident occurred in July 2024 at the Nichino Service Co., Ltd. Saga Plant, we held repeated discussions about systems to ensure employee safety. A company's sustainability cannot be maintained if its internal structure is not sound. That is precisely why I want to leverage my knowledge of risk management to help strengthen the foundations of the company's organizational culture.

**Nakata** Outside Directors also bring with them expertise that is not present within the company. These include my perception of issues in the fields of accounting and auditing, Mr. Matsumoto's close perspectives on frontline operations and product development, and Ms. Yamana's deep knowledge regarding risk management and organizational governance. I believe that only when such different perspectives from diverse fields come together can we achieve truly multidimensional decision-making.

### Perceiving Signs of Change and Enhancing Competitiveness in the Global Market

— What challenges and opportunities does Nihon Nohyaku face, from the perspective of an Outside Director?

**Nakata** Nihon Nohyaku specializes in agrochemicals. Agrochemicals are often associated with a negative image, but judging from my involvement in this company, I strongly feel that all employees have a firm belief in their safety, based on scientific evidence. This is an attitude that the company should be proud of. Moving forward, it will become increasingly important to convey this attitude to people outside the Group.

**Matsumoto** I have been most impressed by the amount of time required for product development in this industry. It is common for products to take a decade or more before they are launched on the market. In this context, it is vital to connect long-term investments with the company's growth story. In addition, as the risks to food production increase due to climate change and other factors, the company's products and technologies are becoming increasingly essential. This is precisely why, moving forward, the Company's growth strategy must incorporate the capacity to adapt to global environmental changes.

**Yamana** That is especially important because overseas markets account for about 70% of Nihon Nohyaku's



sales. Up until now, the company's expansion has focused on relatively stable markets such as the United States and Europe, but going forward, the key to growth lies in developing regions with high growth potential, such as India and Brazil, where market uncertainty is also high. How to move forward boldly, while also factoring in risks such as economic and political instability and the complexity of legal systems: I think this is an area that requires extremely sophisticated managerial judgment.

Three-Way Discussion Between Outside Directors

**Nakata** With the expansion of overseas operations, the governance of local subsidiaries also represents a major challenge. As Outside Directors, we are not in a position to monitor operations on-site, but we must constantly ask ourselves what information we need to have, and what information is not visible to us. At the same time, we must develop the ability to interpret the materials provided and pose pertinent questions. If information is not provided, we need to be prepared to go out and seek it ourselves. This is monitoring in the true sense.

**Matsumoto** We face faces numerous challenges in managing governance, especially in countries such as India and Brazil. These include the local legal systems, tax regulations, and logistical constraints. There is a limit to the reach of centralized, headquarters-driven management, and it will be important for us to consider how to build strong local partners and management systems in these countries.

**Yamana** In addition to maintaining the company's existing high-value-added product lineup as a "defensive" axis, we will also advance initiatives on the "offensive"

axis. These include endeavors such as the development of biopesticides and biostimulants, technological innovations through DX and AI, and challenging new business ventures, aiming to achieve sustainable growth and society. This balance between defensive and offensive strategies is crucial.

**Nakata** This is not limited to overseas operations. Over and above the figures in black and white on the statements of income, it will be important, going forward, to find ways to assess the "quality of the process"—including factors such as the product cycle that leads to profit and loss results, and the profit contribution from each product developed—which is difficult to visualize.

**Matsumoto** Because of the wide range of products we develop, and niche and focused strengths we boast, it is essential that we find ways to visualize this. How should we build our portfolio, and where should we focus our resources? The key to the next phase of the company's growth will be organizing the information that will serve as the basis for answering these questions.

Enhancing the Quality of Board of Directors Meetings through the Frank Exchange of Views

— What are your views on Nihon Nohyaku's Board of Directors?



**Nakata** I believe that Board meetings are an open forum for debate. In terms of composition, six out of the eleven members are Outside Directors, of whom four are women. The fact that I, as a female Outside Director, serve as the Chairperson, is also indicative of the Board's progressive attitude. The meetings themselves are a place for the active exchange of diverse views, regardless of position.

**Matsumoto** I previously handled general affairs, and have also served as an executive member of another company's board of directors. From these experiences, I feel that Nihon Nohyaku's Board is managed with integrity and care. Even simple sales reports are

presented separately for domestic and overseas markets, and every week, President Iwata also sends a weekly report to the Outside Directors. I think it's wonderful that the top executive personally communicates the company's actions to us in his own words.

**Yamana** I was also very surprised when I attended a Board of Directors meeting for the first time. I have many years' experience working for global companies, but at meetings of Nihon Nohyaku's Board of Directors, I found an atmosphere where substantive discussions can take place, rather than just predictable harmony. I feel that this is attributable to the sincerity with which this company's senior management heeds both internal and outside opinions, and takes them to heart.

**Nakata** There are a lot of items on the agenda, but it's not just about the number: the Board actively focus on the information that should be shared immediately and issues that need to be discussed. Recently, the company has introduced a step called "matters for pre-consultation," enabling the Board to share the general direction of agenda items in advance.

**Matsumoto** Meaningful information sharing is also taking place in terms of draft proposals, not just formally decided reports. I believe it is commendable that the information supporting the decisions by the Company's Directors is so well-prepared.

**Yamana** At the same time, I am not entirely comfortable with the fact that, even though about 70% of the company's sales come from overseas, the Board of Directors operates based on the time and perspective of the head

office in Japan. We must find ways to ensure that the voices of overseas subsidiaries clearly reach the ears of senior management. For example, I think that the company would benefit from mechanisms such as the establishment of regular opportunities for the exchange of views with local executives and the creation of forums for discussion through the participation of externally sourced human capital with high global awareness.

**Nakata** As Outside Directors, there are limits to how much we can directly assess local conditions. Because of these limitations, I believe it is necessary to create systems that increase the amount of accessible and visible information. The company is always open to suggestions for improving the Board, and any feedback is quickly addressed. I believe that such a responsive corporate culture is also one of the attractions of this company's Board of Directors.

Enhancing the Quality of Governance through Fair Evaluation and Autonomous Management

— Which aspects do you consider most important in terms of advancing governance?

**Nakata** One aspect is fair evaluation based on the officer remuneration system. We currently have a stock-based remuneration plan that awards points based on performance. Fairness is ensured by including non-financial KPIs in the evaluation criteria.

**Matsumoto** Perhaps there is room for improvement in terms of alignment with overseas executives, as well as from the perspective of securing human capital. I hope to continue making recommendations on these points through discussions at the Governance Committee.

**Yamana** Remuneration is one of the major factors that influence motivation. Amid changes in the business environment, the company will require flexibility and incentive structures that further enhance performance.

**Nakata** Another aspect is our "sense of distance" from the parent company. ADEKA, Nihon Nohyaku's parent company, is also a publicly listed company. Maintaining independence in management requires us, as Outside Directors, to maintain autonomy. The Board of Directors conducts discussions from the Company's own

perspective, without being influenced by the intentions of its parent company.

**Yamana** The high proportion of Outside Directors on the Board, and the presence of members with diverse backgrounds, also contribute to sound governance. I feel that between us, we are able to maintain a healthy tension while balancing independence and collaboration.



Articulating Our Commitment to Support the Growth of the Next Generation from an Outside Perspective

— To conclude, I would like to ask each of you for your message to readers.

**Nakata** I have the honor to serve as Chairperson of the Board of Directors: the first time an Outside Director has served in this important role. Although I initially felt a little lost in this unfamiliar field, I now regard it as a fascinating and rewarding responsibility. I will continue to strive to ensure that the Board of Directors serves as a forum for more substantive and in-depth discussions.

**Matsumoto** Looking ahead, it is important to focus on how the company can adapt to the rapidly changing business environment to enhance corporate value. We also bear a great responsibility as a company that supports agriculture. By fulfilling this role properly, I hope

we can give back to society through business development.

**Yamana** My main profession is in the wellness field, which is also connected to food, and I have deep respect for Nihon Nohyaku, which supports agriculture and food. With about 70% of our sales coming from overseas markets, it is essential that we balance risk management and risk-taking to further strengthen the Company's position in the international market. As an Outside Director, I also hope to contribute to maximizing corporate value.



Strengthening Corporate and Organizational Governance

Officers (as of June 18, 2025)

Directors



Hiroyuki Iwata  
Representative Director,  
President

April 1986  
December 2016  
December 2018  
June 2022

Joined the Company  
Executive Officer  
Director and Senior Executive Officer  
Representative Director, President (current position)



Koji Shishido  
Representative Director,  
Vice President

April 1983  
June 2016  
December 2018  
June 2022

Joined Asahi Denka Co., Ltd. (current ADEKA Corporation)  
Operating Officer, ADEKA Corporation  
Representative Director and Senior Managing Executive Officer of the Company  
Representative Director, Vice President (current position)



Akio Kohri  
Director

April 1971  
June 2008  
June 2010  
June 2012  
December 2013  
June 2018  
June 2020

Joined Asahi Denka Co., Ltd. (current ADEKA Corporation)  
Director and Operating Officer, ADEKA Corporation  
Director and Managing Operating Officer, ADEKA Corporation  
President, ADEKA Corporation  
Director of the Company (current position)  
Chairman and Chief Executive Officer, ADEKA Corporation  
Advisor, ADEKA Corporation (current position)



Haruhiko Tomiyasu  
Director

April 1979  
June 2007  
June 2009  
December 2009  
June 2014  
June 2018  
June 2020  
June 2023

Joined The Dai-ichi Kangyo Bank, Limited (current Mizuho Bank, Ltd.)  
Full-Time Audit and Supervisory Board Member, ADEKA Corporation  
Director and Operating Officer, ADEKA Corporation  
Audit and Supervisory Board Member of the Company  
Director and Managing Operating Officer, ADEKA Corporation  
Director and Senior Managing Operating Officer, Assistant to President, ADEKA Corporation  
Director and Audit and Supervisory Committee Member of the Company  
Representative Director and Senior Managing Operating Officer, Assistant to President, ADEKA Corporation (current position)  
Director of the Company (current position)

Outside Directors



Chizuko Nakata  
Outside Director

November 1981  
March 1984  
July 1996  
December 2015  
April 2020  
June 2020  
June 2025

Joined Coopers & Lybrand Accounting Office  
Established Nakata Certified Public Accountant Office (current position)  
Established Nakata Business Consulting LPC (current Nakata Business Consulting Co., Ltd.) as Representative Director (current position)  
Audit and Supervisory Board Member of the Company  
Supervisory Director, Daiwa Securities Living Investment Corporation (current position)  
Director and Audit and Supervisory Committee Member of the Company  
Director of the Company (current position)



Noboru Matsumoto  
Outside Director

April 1984  
March 2018  
June 2019  
June 2023

Joined KOBAYASHI KOSÉ COMPANY LIMITED (current KOSÉ Corporation)  
Executive Officer, KOSÉ Corporation  
Standing Audit & Supervisory Board Member, KOSÉ Corporation  
Director of the Company (current position)



Shiyo Yamana  
Outside Director

April 1997  
July 2004  
April 2012  
November 2019  
August 2020  
August 2023  
June 2024

Joined Mitsubishi Corporation  
Joined Goldman Sachs Japan Co., Ltd.  
Joined Nomura Holdings, Inc.  
President and Representative Director, Productivity Garden Corporation (current position)  
Director and CFO, Hollywood Cosmetics Co., Ltd.  
Representative Director, SBM Lab General Incorporated Association (current position)  
Director of the Company (current position)

Executive Officers

Shiro Takahashi  
Managing Executive Officer

Hiroshi Okumura  
Senior Executive Officer

Nobuyuki Shimoyama  
Executive Officer

Kazuhiko Motoba  
Managing Executive Officer

Manfred Hilweg  
Senior Executive Officer

Yasuhiro Fujita  
Executive Officer

Junjiro Inoshita  
Senior Executive Officer

Isao Ishimura  
Executive Officer

Miyako Aoki  
Executive Officer

Yoshitaka Taniyama  
Senior Executive Officer

Toshitomo Tanaka  
Executive Officer

Hiroshi Yamaguchi  
Executive Officer

Tadashi Tanimoto  
Senior Executive Officer

Shinsuke Fujioka  
Executive Officer

Dustin Simmons  
Executive Officer

Audit and Supervisory Committee Members



Hideo Yamamoto  
Director,  
Full-time Audit and Supervisory  
Committee Member

April 1985  
December 2015  
December 2018  
June 2022  
June 2023  
June 2024

Joined the Company  
Executive Officer  
Director and Senior Executive Officer  
Director and Managing Executive Officer  
Managing Executive Officer  
Director, Full-time Audit and Supervisory Committee Member (current position)



Iwao Toigawa  
Outside Director,  
Audit and Supervisory  
Committee Member

April 1991  
July 2001  
May 2006  
December 2011  
December 2015  
June 2020  
June 2024

Registered as attorney-at-law (Tokyo Bar Association) and joined Watanabe Kijuro Law Office  
Established Toigawa Law Office  
Established Hibiya T&Y Law Office (current position)  
Audit and Supervisory Board Member of the Company  
Director of the Company  
Director and Audit and Supervisory Committee Member (current position)  
Auditor (Outside), Valqua, Ltd. (current position)



Yoshiko Oshima  
Outside Director,  
Audit and Supervisory  
Committee Member

April 1988  
May 1989  
July 1995  
May 1997  
July 2013  
September 2018  
June 2020

Registered as attorney-at-law (Dai-ichi Tokyo Bar Association) and joined Nishimura & Sanada (current Nishimura & Asahi, Foreign Law Joint Enterprise)  
Joined Legal Affairs Department, Esso Sekiyu K.K. (current ENEOS Corporation)  
Joined Coudert Brothers LLP (New York)  
Established Oshima Law Office (current position)  
Started practice as a certified public tax accountant (current position)  
Audit and Supervisory Board Member of the Company  
Director and Audit and Supervisory Committee Member (current position)



Masuyo Ohtani  
Outside Director,  
Audit and Supervisory  
Committee Member

October 1988  
September 1992  
June 2023  
April 2025  
June 2025

Joined Aoyama Audit Corporation  
Established Ohtani Certified Public Accountant Office (current position)  
Director of the Company  
Auditor, Deposit Insurance Corporation of Japan (current position)  
Director, Audit and Supervisory Committee Member of the Company (current position)

Policy and Procedures for Appointing Director Candidates

Nihon Nohyaku selects candidates for Director (excluding Audit and Supervisory Committee Members) by considering the diversity of the Board and choosing individuals who possess high ethical standards, as well as integrity, insight, abilities, and extensive experience. Candidates for Director serving as Audit and Supervisory Committee Member are selected from a broad and diverse pool in accordance with the nomination policy established by Nihon Nohyaku, subject to the approval of the Audit and Supervisory Committee. Candidates for Independent Outside Director are selected from a broad and diverse pool in accordance with the nomination policy established by Nihon Nohyaku, which includes satisfying its independence criteria.

Skills Matrix of Directors (as of June 18, 2025)

Name	Positions	Independence	Expertise and experience						
		(Outside Director only)	Corporate management	Industry knowledge	Overseas business	Research & development	Sustainability	Finance & accounting	Governance & risk management
Hiroyuki Iwata	Representative Director, President		●	●	●		●		●
Koji Shishido	Representative Director, Vice President		●	●	●	●	●		
Akio Kohri	Director		●		●		●		●
Haruhiko Tomiyasu	Director		●					●	●
Chizuko Nakata	Director (Outside Director)	●						●	●
Noboru Matsumoto	Director (Outside Director)	●	●		●				●
Shiyo Yamana	Director (Outside Director)	●	●		●		●	●	●
Hideo Yamamoto	Director, Full-time Audit and Supervisory Committee Member			●			●	●	●
Iwao Toigawa	Director (Outside Director), Audit and Supervisory Committee Member	●							●
Yoshiko Oshima	Director (Outside Director), Audit and Supervisory Committee Member	●						●	●
Masuyo Ohtani	Director (Outside Director), Audit and Supervisory Committee Member	●						●	●

Skills

Expertise and experience (skills)	Qualifications
Corporate management	A person with management experience in the relevant skill area or who has served as an executive officer at a listed company other than Nihon Nohyaku, or at a company of comparable size
Industry knowledge	A person with practical experience, management experience, or expertise in the relevant skill area
Overseas business	A person with practical or managerial experience in the relevant skill area, an expert in overseas business, or an individual with experience in overseas assignments or working abroad
Research & development	A person with practical or managerial experience in the relevant skill area, or an individual with experience working at a university or an external research institution
Sustainability	A person with practical or managerial experience, an individual with advisory experience, or an expert in the relevant skill area
Finance & accounting	A person with practical or managerial experience, an individual with advisory experience, an expert in the relevant skill area, or a person holding qualifications such as certified public accountant, tax accountant or equivalent credentials
Governance & risk management	A person with practical, managerial, or advisory experience in legal affairs, compliance, risk management, internal control, or related departments; a proactive participant in establishing corporate governance frameworks or crisis management; a person holding qualifications such as attorney or equivalent credentials; or an expert in the relevant skill area

\* A person with practical experience is defined, in principle, as someone who has been primarily engaged in the relevant work for three or more years.

# Expansion of Compliance and Risk Management

## Compliance

### Approach to and Promotion System for Compliance

To NICHINO Group, compliance includes not only complying with laws and regulations, internal regulations and contracts, but also prohibiting unethical behavior that is not socially acceptable under high ethical standards. We have established the Compliance Committee as a concrete promotion system for realizing this philosophy.

The Compliance Committee consists of Executive Officers who supervise each department, and the administrative office is operated by the Legal Group of the General Affairs & Legal Department. Furthermore, we have appointed Compliance Promotion Supervisors and Compliance Promotion Managers in each department and office. Compliance Promotion Supervisors formulate policies and provide guidance to ensure thorough compliance in their departments, and Compliance Promotion Managers provide practical support to further promote and ensure compliance.

### Compliance Initiatives and the whistleblower System

Nihon Nohyaku fulfills its corporate social responsibility by ensuring that the business activities of all officers and employees comply with laws and regulations, as well as internal rules and norms, and by preventing corporate scandals. To achieve the above, we hold regular Compliance Committee meetings twice a year to summarize compliance activities and decide on policies for the next half of the year. Based on these decisions, we hold workplace training (twice a year) and a group compliance council with domestic and overseas Group companies (once a year). At the workplace training held twice a year, we aim to improve compliance awareness through the sharing of compliance-related incidents and training materials that reflect the latest circumstances.

To ensure prompt and appropriate response to compliance violations, in addition to an organization-based reporting system, we have also established an “internal reporting system” in compliance with the Whistleblower Protection Act and related laws and regulations. This system allows all officers and employees to report directly to officers in charge of compliance and to external law firms.

### Initiatives Toward Anti-Corruption

One of the Basic Principles of the Group states that “we respond to the expectations of all stakeholders through fair and vigorous corporate activities.” We actively fulfill our corporate social responsibility through sound business activities in compliance with relevant domestic and international laws and regulations. In addition, we request that all officers and employees of the Group comply with the “Prohibition on Bribery,” “Understanding and Compliance with the Bribery Laws

and Regulations and Policy for Prevention of Bribery,” “Appropriate Approval Procedures and Ex-post Facto Confirmation Procedures,” “Building of Sound Business Relationship,” “Regular Risk Assessment, Review and Improvement,” “Thorough Records Management” and “Prompt Report.”

In FY2024, there were no bribery-related violations or cases involving sanctions.

### Financial and Tax Compliance

The Group complies with the tax-related laws and regulations of the countries and regions in which it conducts business activities, and collects the information necessary to do so. The Group also carries out appropriate accounting procedures and pays necessary taxes.

### Basic Approach to Excluding Antisocial Forces

The Group maintains a firm policy of having no relationship whatsoever with antisocial forces, including organized crime groups, corporate racketeers, and malicious media organizations, which pose a threat to the order and safety of civil society. The Group also firmly refuses any and all demands from such forces, including the provision of money or goods, as well as requests for donations, sponsorships, or subscriptions to publications.

### Progress of Measures for Excluding Antisocial Forces

Nihon Nohyaku is enhancing its organizational framework, both internally and externally, to systematically and effectively exclude antisocial forces. Internally, we promote unified company-wide consensus, centralize points of contact, ensure responses involve multiple personnel, and establish thorough information sharing among business sites. When facing unreasonable demands, multiple personnel respond together and report to the General Affairs & Legal Department to seek further instructions. Externally, we cooperate with industry associations and regional companies to strengthen exclusion efforts through information exchange. We maintain ongoing coordination with the police and other governmental agencies to build a system for prompt consultation and support against intimidation or unjust demands. Furthermore, based on the NICHINO Group Action Charter and the Tokyo Metropolitan Government Ordinance on Elimination of Organized Crime Groups, we insert anti-organized crime special clauses as a rule into all new contracts and additionally apply them to existing contracts to ensure exclusion from a contractual perspective. These initiatives enable us to promote the continuous and effective exclusion of antisocial forces.

## Risk Management

### Basic Approach

At NICHINO Group, we regard risk management as a crucial management function, prioritizing the prevention of potential risks inherent in our business operations and the minimization of losses resulting from risk realization. The comprehensive risk management policy and framework are governed by the Risk Management Regulations, with the Risk Management Committee serving as the principal body responsible for identifying, evaluating, and implementing risk mitigation measures.

### Risk Management Initiatives

In FY2024, we enhanced risk management through the following initiatives.

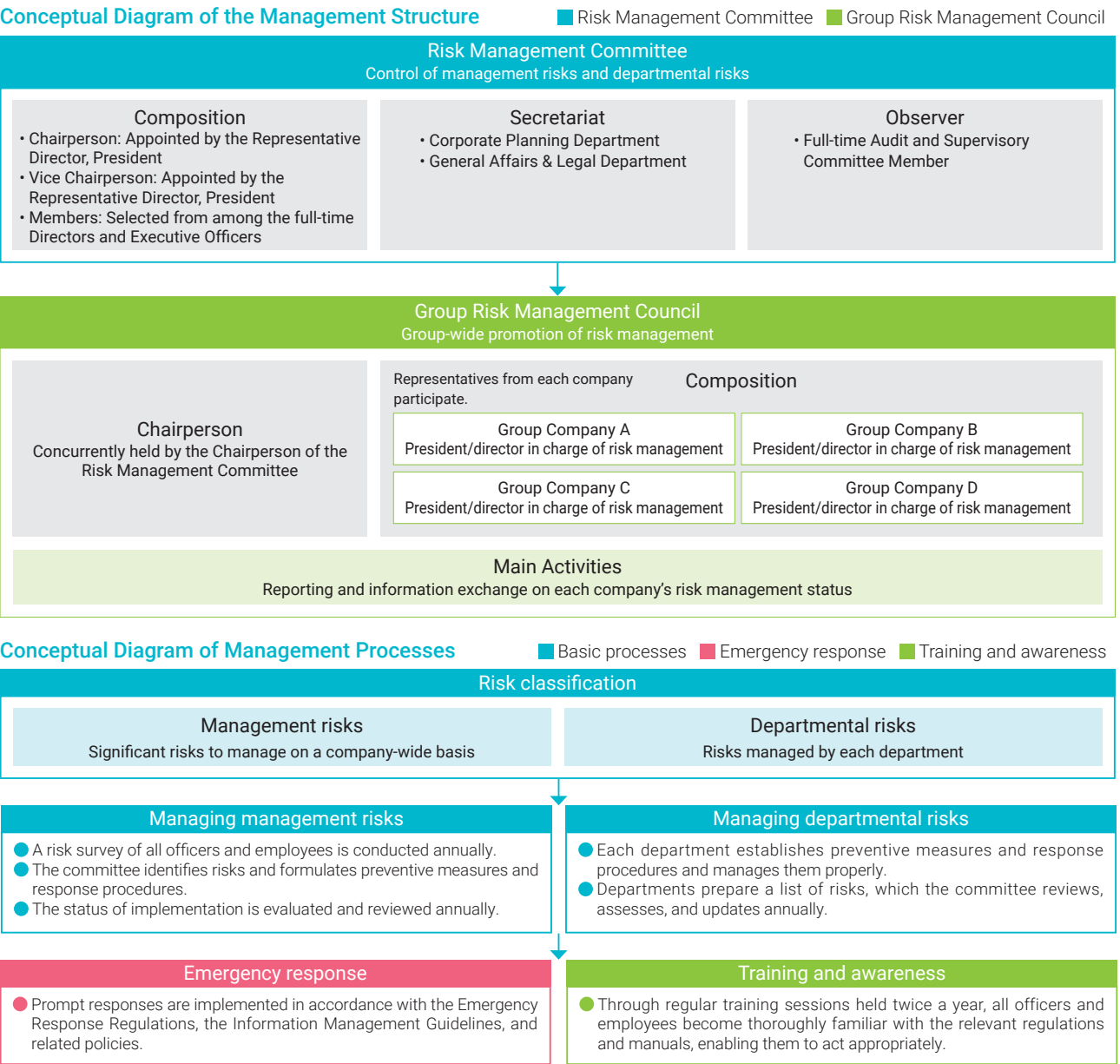
Workplace Risk Management Meeting (RMM): Held twice a year to enhance on-site risk awareness by

disseminating information and facilitating discussions on management and departmental risks and departmental risks.

Group Compliance and Risk Management Council: Facilitates collaboration with domestic and overseas Group companies to promote sharing of legal compliance matters and compliance-related issues.

Reclassification of risks: Conducted a reclassification based on the characteristics of each business, categorizing risks into “management risks” and “departmental risks” to enhance systematic management.

Audits and guidance at overseas sites: Strengthened risk responses related to global expansion through the auditing of Nichino India Pvt. Ltd. (NIN), enhancements to production environment controls, and improvements in U.S. offshore inventory management.





Enhancement of Compliance and Risk Management

Management Risks and Countermeasures of NICHINO Group for FY2024

Risk classification	Summary of risk details	Summary of main preventative measures
Value chain risk (research & development, product launch)	Impact of development delays, equipment issues, talent management, and market environment	Market research, equipment upgrades, human capital development, and technology adoption
Value chain risk (procurement)	Raw material supply instability, price volatility, and human rights risks	Multiple sourcing, inventory management, foreign exchange risk management, and sustainable procurement
Value chain risk (production and logistics)	Decline in competitiveness due to shortcomings in quality, logistics, and equipment	Management of outsourcing, quality and safety control, and logistics diversification
Value chain risk (sales)	Revenue impact from market changes, intensified competition, and shifts in customer demand	Credit control, data analysis, foreign exchange risk management, and management of sales subsidiaries
Disaster risk	Impact on business continuity and safety due to natural disasters and infectious diseases	Business continuity planning, remote work, insurance, stockpiling, and information sharing
Climate change risk	Impact on operations and revenue due to market and regulatory changes	Measures to address TCFD recommendations, product development, information gathering, and environmental initiatives
Crime risk	Loss of property and information, and decline in credibility due to criminal acts	Security intelligence collection, insurance, facility measures, and cautious behavior
Accident risk	Impact on operations and safety due to unforeseen human or equipment-related incidents	Safety education, 5S activities, equipment inspections, and regulatory compliance
Financial risk (M&A and shareholders' equity)	Impact on financial soundness due to failed acquisitions or capital deterioration	Cash management, strategy formulation, PMI implementation, and shareholder relations
Legal risk (laws and regulations related to agrochemical registration)	Impact on product sales and development due to legal and regulatory changes	Early identification of legal and regulatory amendments, training, stronger internal systems, and external collaboration
Legal risk (intellectual property and contracts)	Legal issues arising from IP infringement or contract violations	Training, contract management, patent strategy, and prior consultation
Legal risk (excluding laws and regulations related to agrochemical registration)	Impact on operations and sales due to other legal and regulatory changes	Establishment of internal regulations, training, utilization of experts, and stronger internal systems
Personnel and labor risk (harassment)	Decrease in morale and increase in employee turnover due to harassment	Preventative internal regulations, consultation contact points, training, and improvements in workplace environments
Personnel and labor risk	Decrease in productivity due to labor shortages and inadequate labor management	Proper placement, recruitment and development, health and productivity management, and improvements in work efficiency
Information security risk	Information leaks and business disruptions caused by cyberattacks, internal fraud, or system failures	Security training, EDR, backups, and access restrictions
Governance risk (internal control)	Impact on sustainability and reliability due to deficient governance	Dissemination of regulations, audits, stronger internal systems, emergency response procedures
Governance risk (fraud)	Impact on sustainability and reliability due to fraudulent activities	Approval systems, business process visibility, audits, and training

Information Security

NICHINO Group positions the protection of information assets as a critical management priority, and we promote the strengthening of information security based on a group-wide standard model.

The introduction of a zero-trust security model is a pillar in the medium-term management plan, and we have already deployed SASE (Secure Access Service Edge), which controls internal and external access, at domestic Group companies. Additionally, at Nihon Nohyaku on a standalone basis, we have started utilizing XDR (Extended Detection and Response) for advanced threat detection and SOC (Security Operation Center) for monitoring, and are currently considering expanding these systems to domestic Group companies.

In recent years, as cyberattacks have become increasingly sophisticated and complex, there is a growing need to strengthen response capabilities across the entire Group. In FY2024, Nichino Ryokka experienced a ransomware attack. This incident served as a catalyst for reaffirming the importance of security measures, prompting a review of the incident response framework and accelerating efforts to standardize technical measures aimed at early detection and containment.

For overseas consolidated Group companies, we are conducting a survey during FY2025 to assess the current status of IT and security systems. We are also advancing the development of the NICHINO Group Information Security Regulations, which will apply across the entire Group including domestic and overseas entities. Through

these regulations, we aim to strengthen security governance group-wide by protecting information assets, responding to cyberattacks, and standardizing incident reporting and response procedures.

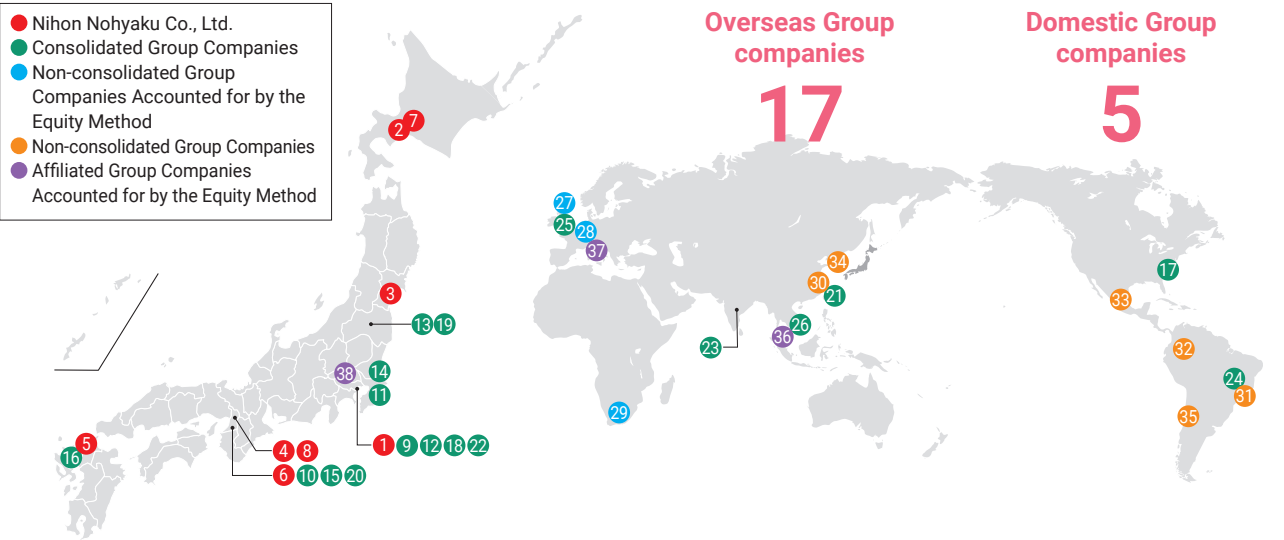
In addition, we continuously conduct awareness activities through case study videos and informational emails to embed security consciousness. By fostering an environment where each employee understands the risks around them and can appropriately respond in daily operations, we will continue to strengthen and embed our information security framework from both technological and human perspectives.

Enhancing the Business Continuity Plan (BCP)

We have established the NICHINO Group Emergency Response Regulations and guidelines for large-scale disaster countermeasures to prepare for emergencies such as a major earthquake in the Tokyo metropolitan area or infectious disease outbreaks. In FY2024, we undertook the following initiatives.

- Conducted fire drills and video-based training at the head office
- Streamlined management of emergency stockpiles (transitioning from individual control to a method recommended by authorities)
- Continued flexible workstyles combining office attendance and working from home

Company Overview and List of NICHINO Group Companies



NIHON NOHYAKU CO., LTD.

Head Office address 19-8 Kyobashi 1-Chome, Chuo-ku, Tokyo 104-8386  
Founded November 17, 1928  
Capital 14,939 million yen  
Number of employees (consolidated) 1,524 (as of March 31, 2025)  
Main business Manufacture, import, export, and sale of a variety of products including Crop protection products, Pharmaceuticals, Animal health products, Industrial chemicals, Wood preservatives, and Agricultural materials

Head Office and Branches  
Research Facilities  
Research Farms  
Manufacturing Plant (outsource)

- As of June 18, 2025
- 1 Head Office, Tokyo Branch (Chuo-ku, Tokyo)
  - 2 Sapporo Branch (Sapporo-shi, Hokkaido)
  - 3 Sendai Branch (Sendai-shi, Miyagi)
  - 4 Osaka Branch (Osaka-shi, Osaka)
  - 5 Fukuoka Branch (Fukuoka-shi, Fukuoka)
  - 6 Osaka Office (Osaka-shi, Osaka)
  - 6 Research Center (Kawachinagano-shi, Osaka)
  - 7 Naganuma Nursery (Yubari-gun, Hokkaido)
  - 12 Nichino Service Co., Ltd.
  - 13 Fukushima Plant/ 14 Kashima Plant/ 16 Saga Plant)

Consolidated Group Companies

9 Nichino Ryokka Co., Ltd.	Sales of chemical products for golf courses, home, gardening, greening purpose, as well as turf and related materials, garden's design and construction and landscaping	Chuo-ku, Tokyo
10 Western Japan Sales Branch		Minoh-shi, Osaka
11 Research & Training Center		Yotsukaido-shi, Chiba
12 Nichino Service Co., Ltd.		Chuo-ku, Tokyo
13 Fukushima Plant	Manufacturing, storage, transport and sales of crop protection products, contracted manufacturing, cultivation and management of fields and real estate management	Nihonmatsu-shi, Fukushima
14 Kashima Plant		Kamisui-shi, Ibaraki
15 Kawachinagano Center		Kawachinagano-shi, Osaka
16 Saga Plant		Miyaki-gun, Saga
17 Nichino America, Inc.	Sales, promotion, development, and registration of crop protection products in the U.S.A.	Wilmington, U.S.A.
18 Nihon Ecotech Co., Ltd.		Chuo-ku, Tokyo
19 Fukushima Analytical Technology Center	Pesticide residue analysis and chemical substance safety testing	Nihonmatsu-shi, Fukushima
20 Osaka Analytical Technology Center		Kawachinagano-shi, Osaka
21 Taiwan Nihon Nohyaku Co., Ltd.	Sales, promotion, development, and registration of crop protection products in Taiwan	Taipei, Taiwan
22 AgriMart Corporation	Sales of termite control materials and epidemic prevention insecticides	Chuo-ku, Tokyo
23 Nichino India Pvt. Ltd.	Manufacturing, sales, import and export, promotion, and development of crop protection products in India	Hyderabad, India
24 Sipcam Nichino Brasil S.A.	Manufacturing and sales of crop protection products in Brazil	Uberaba, Brazil
25 Nichino Europe Co., Ltd.	Sales, promotion, development, and registration of crop protection products in Europe	Cambridge, UK
26 Nichino Vietnam Co., Ltd.	Sales, promotion, and development of crop protection products in Vietnam	Ho Chi Minh, Vietnam

Non-consolidated Group Companies Accounted for by the Equity Method

27 Interagro (UK) Ltd.		Cambridge, UK
28 Nichino Netherlands B.V. (*former Interagro Netherlands)	Sales and development of adjuvants and biostimulants in Europe and other regions	Utrecht, Netherlands
29 Nichino South Africa (Pty) Ltd		Johannesburg, South Africa

Non-consolidated Group Companies

30 Nichino Shanghai Co., Ltd.	Promotion of crop protection products in China	Shanghai, China
31 Nichino do Brasil Agroquímicos Ltda.	Development and registration of crop protection products in Brazil	Sao Paulo, Brazil
32 Nihon Nohyaku Andica S.A.S.	Sales, import and export, promotion, and development of crop protection products in the Andes and Central America	Bogota, Colombia
33 Nichino México S. de R.L. de C.V.	Sales, promotion, development, and registration of crop protection products in Mexico	Mexico City, Mexico
34 Nichino Korea Co., Ltd.	Sales, promotion, development, and registration of crop protection products in South Korea	Seoul, South Korea
35 Nichino Chile SpA	Sales, promotion, development, and registration of crop protection products in Chile	Santiago, Chile

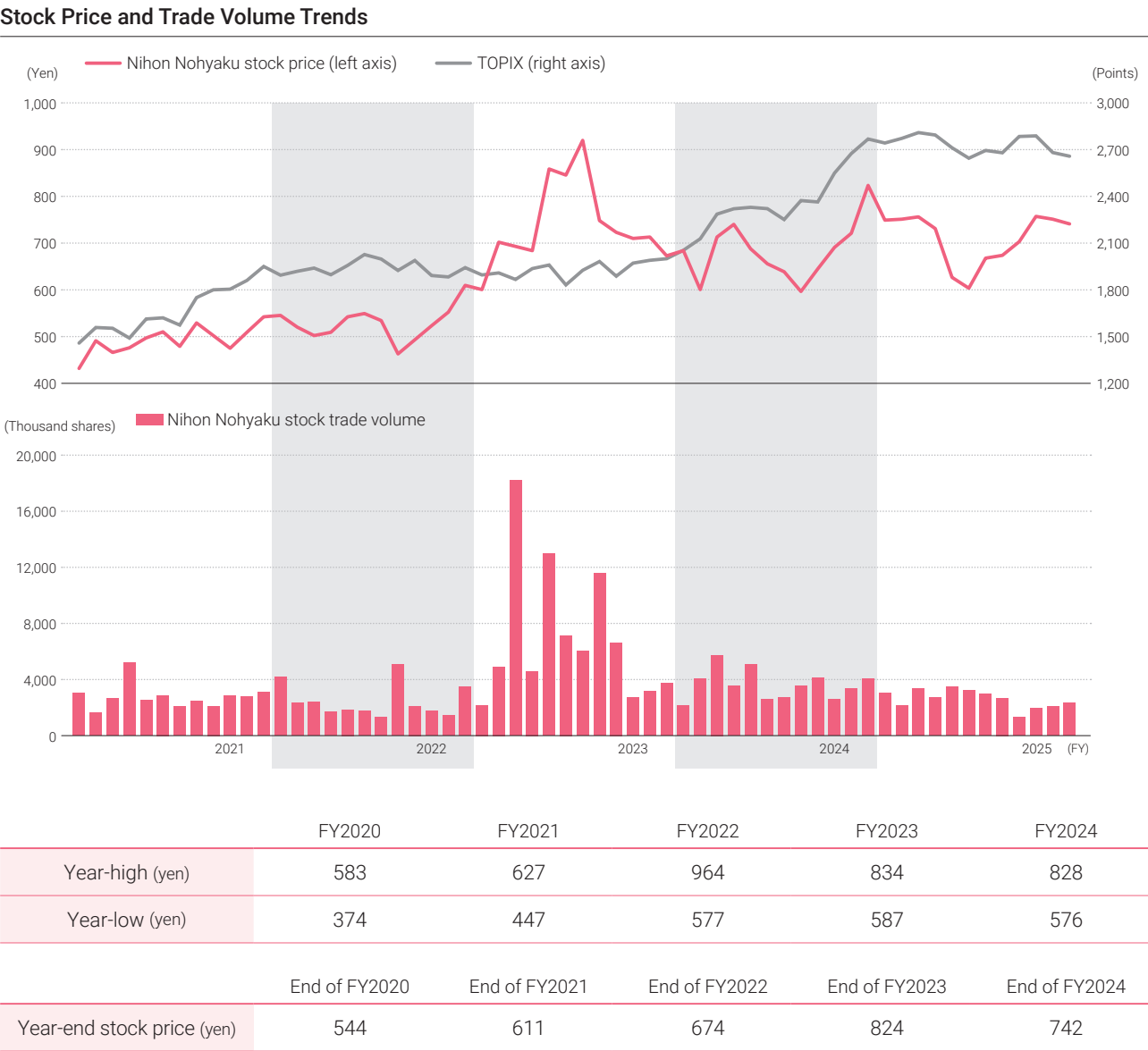
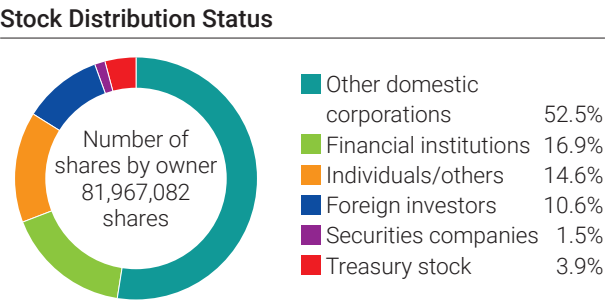
Affiliated Group Companies Accounted for by the Equity Method

36 Agricultural Chemicals (Malaysia) Sdn. Bhd.	Manufacturing and sales of crop protection products in Malaysia	Penang, Malaysia
37 Sipcam Europe S.p.A.	Manufacturing and sales of crop protection products in Europe	Milan, Italy
38 Tama Kagaku Kogyo Co., Ltd.	Contract manufacturing of active ingredients and raw materials for crop protection products, pharmaceutical ingredients and functional materials	Yashio-shi, Saitama

Stock Information

Stock Information (as of March 31, 2025)

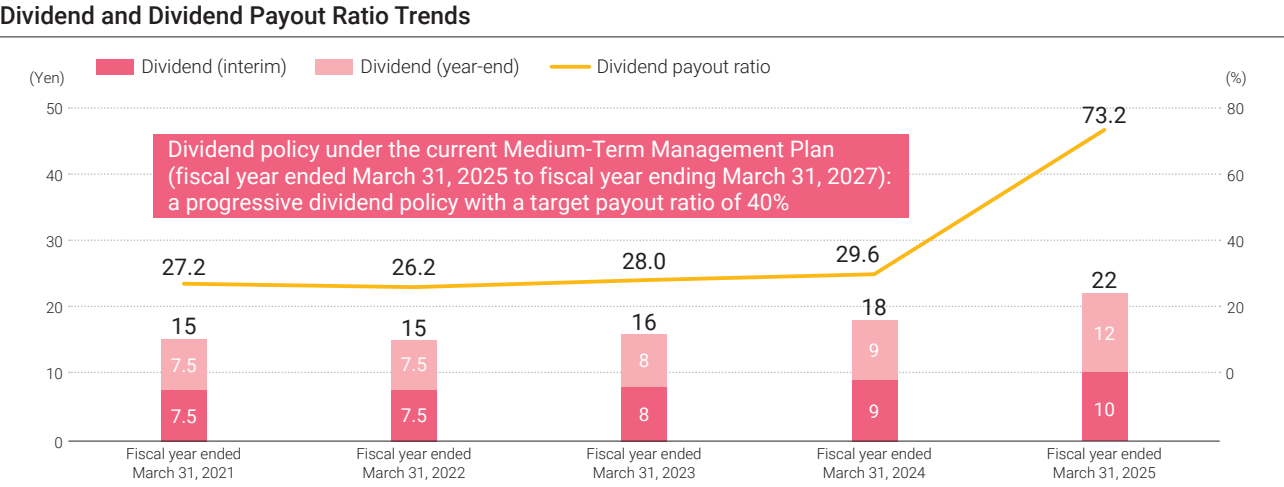
Total number of shares authorized to be issued	199,529,000 shares
Total number of shares outstanding	81,967,082 shares
Number of shareholders	11,488
Stock Exchange listing	Tokyo Stock Exchange Prime Market
Auditing firm	Kyowa Audit Corporation



Major Shareholders

Company name	Number of shares held (Thousand shares)	Shareholding ratio (%)
ADEKA Corporation	40,173	51.00
The Master Trust Bank of Japan, Ltd. (Trust account)	5,181	6.58
MSIP CLIENT SECURITIES	2,759	3.50
Custody Bank of Japan, Ltd. (Trust account)	2,453	3.11
Mizuho Bank, Ltd.	1,997	2.54
Aya Nomura	1,439	1.83
The Norinchukin Bank	1,401	1.78
Asahi Mutual Life Insurance Company	853	1.08
Resona Bank, Limited.	719	0.91
Morgan Stanley MUFG Securities Co., Ltd.	537	0.68

(Notes)  
1. Although the Company holds 3,194 thousand shares of treasury shares, it is excluded from the above list of major shareholders.  
2. The shareholding ratio is calculated after excluding treasury shares.



External Evaluation

**DBJ Certification Programs**

The program evaluates companies' non-financial information using an original screening system developed by the Development Bank of Japan (DBJ). Nihon Nohyaku has received the following evaluations.

- DBJ Environmental Rating (2024):** Evaluation of environmental management and sustainability management
- DBJ Employees' Health Management Rating (2023):** Evaluation of employee health management and health and productivity management

**Selected as a Constituent of the FTSE Blossom Japan Sector Relative Index**

Constructed by FTSE Russell, this index reflects the performance of Japanese companies with relatively superior environmental, social, and governance (ESG) practices within each sector. It is a leading ESG index adopted by the Government Pension Investment Fund (GPIF).

**CDP (Carbon Disclosure Project)**

A global disclosure system operated by CDP (headquartered in the U.K.) to measure, disclose, and manage the environmental efforts of companies and cities. In response to requests from institutional investors worldwide, CDP assesses environmental initiatives for climate change, water security, forest conservation, and other areas on an eight-point scale ranging from A (the highest rating) to D- (the lowest rating).

**Nihon Nohyaku's 2024 ratings**

- Climate change: B** (Management level)
- Water security: C-** (Awareness level)

**KENKO Investment for Health (KIH) Outstanding Organization (Large Enterprise Category) 2025**

The program was established by the Ministry of Economy, Trade and Industry and is certified by NIPPON KENKO KAIGI. It recognizes companies with excellent initiatives in "KENKO Investment for Health," which strategically promotes employee health management from a business-management perspective. Nihon Nohyaku received this certification for the first time in FY2025.

**Partnership Building Declaration**

This is a program promoted by the Ministry of Economy, Trade and Industry in collaboration with related ministries and agencies, aiming to achieve co-existence and co-prosperity throughout the entire supply chain. Under this program, companies declare their commitment to co-existence and co-prosperity across the supply chain, fostering new collaborations that transcend differences in scale, business affiliations, and other boundaries. They also pledge to comply with the "Promotion Standards" set forth by the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. Nihon Nohyaku made its Declaration of Partnership Building public on May 19, 2025.

**"Silver Medal" Rating in EcoVadis Sustainability Assessment (Nichino Service)**

EcoVadis, headquartered in France, provides an international sustainability rating platform aimed at improving sustainability across supply chains. The EcoVadis assessment covers over 95,000 companies in 160 countries, evaluating in four key areas: environment, labor and human rights, ethics, and sustainable procurement.

**2025 evaluation results of NICHINO Group companies**

- Nichino Service: Silver Medal** (Awarded to companies in the top 15% of all rated companies)



Main Financial Data for Past 11 Years

Due to a change in the Company's fiscal year-end, the fiscal year ended March 31, 2020 covered a six-month period.

	Fiscal year ended September 30, 2015	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019	Fiscal year ended March 31, 2020*1	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022*2	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Fiscal year											
Net sales	56,930	50,641	60,033	61,213	63,260	35,674	71,525	80,110	102,090	103,033	99,966
Operating profit	9,951	4,426	3,496	4,172	3,318	4,005	6,981	5,762	8,739	7,438	8,576
Operating profit margin	17.48%	8.74%	5.82%	6.82%	5.25%	11.23%	9.76%	7.19%	8.56%	7.22%	8.58%
Profit attributable to owners of parent	5,625	1,035	1,717	2,507	2,684	1,477	4,344	4,405	4,488	4,777	2,356
Cash flows from operating activities	6,745	3,968	2,515	(819)	211	(5,954)	5,778	(3,375)	(1,923)	(344)	10,405
Cash flows from investing activities	(13,063)	(958)	(441)	767	(88)	47	(283)	(720)	(1,338)	(4,808)	(354)
Free cash flows	(6,318)	3,010	2,073	(51)	122	(5,906)	5,495	(4,096)	(3,261)	(5,152)	10,050
Cash flows from financing activities	7,341	2,069	(5,932)	7,785	(1,422)	2,248	(199)	(2,509)	6,171	9,835	(6,940)
R&D expenses	5,527	5,197	5,014	4,690	4,452	2,144	4,461	4,681	5,211	5,448	6,386
Capital investments	1,559	1,435	1,167	2,683	1,228	728	1,537	1,665	2,378	2,395	2,872
Depreciation	1,349	1,403	1,420	1,421	1,452	762	1,476	1,519	1,685	1,871	2,041
As of fiscal year-end											
Total assets	81,237	88,791	88,713	98,003	94,464	102,214	107,969	118,247	136,652	157,983	152,216
Net assets	51,034	48,697	48,867	57,576	58,198	58,372	62,071	66,956	73,125	80,396	79,423
Equity ratio	61.62%	52.13%	52.79%	56.80%	59.54%	55.22%	56.43%	55.47%	51.89%	49.42%	50.78%
Return on equity (ROE)	11.78%	2.15%	3.69%	4.89%	4.80%	2.62%	7.40%	6.96%	6.58%	6.41%	3.03%
Interest-bearing debt	12,491	18,453	16,775	17,095	16,770	19,490	19,248	18,476	26,895	40,153	33,999
D/E ratio (times)	0.25	0.40	0.36	0.31	0.30	0.35	0.32	0.28	0.38	0.51	0.44
Per share information											
Earnings per share*3	84.16	15.49	25.70	37.46	34.07	18.75	55.23	56.08	57.23	60.89	30.06
Net assets per share	748.99	692.53	700.65	706.59	713.99	716.47	774.76	836.39	904.26	994.96	987.63
Dividends per share	15.00	15.00	15.00	15.00	15.00	4.00	15.00	15.00	16.00	18.00	22.00

\*1 The Company changed its fiscal year-end from September 30 to March 31 based on a resolution passed at the 120th Ordinary General Meeting of Shareholders held on December 20, 2019. Accordingly, the fiscal year ended March 31, 2020 covers a six-month period from October 1, 2019 to March 31, 2020.

\*2 The Company changed the method of converting revenue and expenses of overseas subsidiaries and similar entities, effective from the fiscal year ended March 31, 2023. Accordingly, the figures for the fiscal year ended March 31, 2022 have been retrospectively restated to reflect the adoption of the new conversion method. The cumulative effect of this change for the fiscal year ended March 31, 2021 and prior periods has been adjusted in the opening balance of net assets at the beginning of the fiscal year ended March 31, 2022.

\*3 Earnings per share is calculated based on the average number of common shares outstanding during the period.

Main Non-financial Data for Past 5 Years

Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
E					
GHG emissions (t-CO <sub>2</sub> equivalent)					
Scope 1 + Scope 2	32,535	36,950	35,362	27,373	23,774
Scope 3	-	-	92,633	99,549	98,406
Domestic energy consumption (crude oil equivalent) (kl)	5,545	6,017	5,480	4,718	3,697
Domestic industrial waste amount (t)	6,754.6	5,662.3	7,288.2	4,267.4	1,513.5
Domestic water consumption (thousand m <sup>3</sup> )	223	275	272	238	142
S					
Number of employees*1 (NICHINO Group consolidated) (persons)	1,484	1,536	1,567	1,570	1,524
Percentage of female employees*2 (Nihon Nohyaku Co., Ltd.) (%)	22.4	23.7	22.3	24.1	25.1
Percentage of female managers*2 (Nihon Nohyaku Co., Ltd.) (%)	8.8	8.3	8.4	10.3	9.7
Retention rate of new graduate employees after 3 years of employment (Nihon Nohyaku Co., Ltd.) (%)	92	92	100	100	100
Paid leave days taken*3 (Nihon Nohyaku Co., Ltd.) (days)	12.1	11.4	13.8	13.8	13.0
Rate of male employees taking childcare leave*4 (Nihon Nohyaku Co., Ltd.) (%)	100	50	50	90	88

Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
S					
Number of patent applications filed (Nihon Nohyaku Co., Ltd.) (number)	55	124	77	103	134
Patent applications filed in Japan (number)	11	29	14	2	11
Patent applications filed outside Japan (number)*5	44	95	63	101	123
R&D expenses (NICHINO Group consolidated) (million yen)	4,461	4,681	5,211	5,448	6,386
G					
Percentage of Independent Outside Directors (%)	33.3	33.3	50.0	50.0	54.5
Percentage of female Directors (%)	13.3	13.3	25.0	33.3	36.4
Number of Board of Directors meetings held (times)	18	18	17	17	17

\*1 Excludes employees seconded outside the Group.

\*2 Regular full-time employees of Nihon Nohyaku (including those seconded from outside Nihon Nohyaku)

\*3 From the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2022, the data applies to regular full-time and temporary full-time employees, excluding contract employees. From the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025, the data covers all employees, including contract employees.

\*4 Data covers all employees, including contract employees.

\*5 Number of PCT international applications filed (by transfer country basis) + Paris route or number of standard applications filed.

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We practice Green Purchasing.



In September 2024, Nihon Nohyaku received a Development Bank of Japan loan based on the DBJ Environmentally Rated Loan Program and has been rated as "a company with advanced environmental activities."