

Vista 2015 Stage I

Toward sustainable growth and progress under a new medium-term plan

In April 2010, we launched Vista 2015, our new medium-term management plan. Under this plan, we aim to enhance our brand potential and corporate value as a true Value-Creating Enterprise dedicated to growth in partnership with customers.

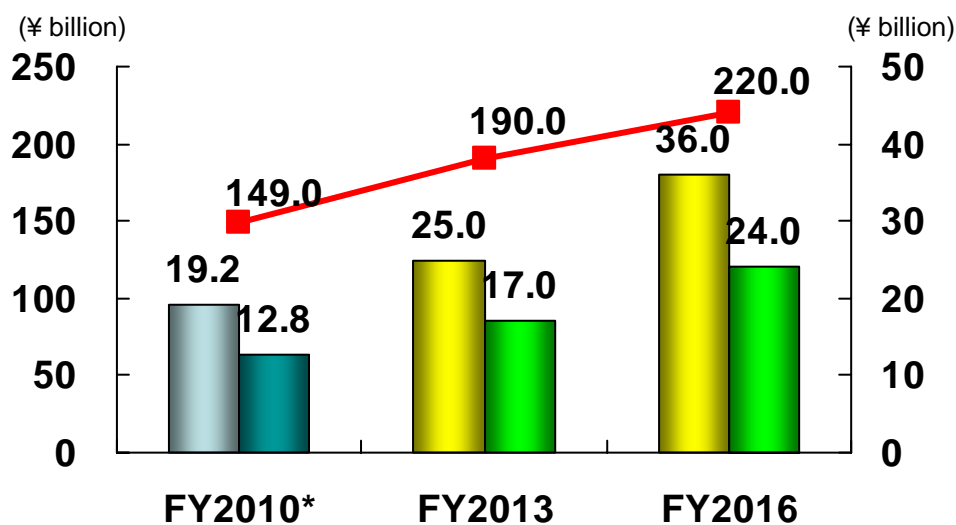
The new plan is based on our vision for Nissan Chemical in 2020 as a dynamic corporate Group capable of continual development and evolution driven by growth engines in two areas: electronic, organic and inorganic specialty materials, and life science products, specifically agricultural chemicals and pharmaceuticals.

By 2015, we want to establish Nissan Chemical as a chemical manufacturer that enjoys strong growth potential based on continuing expansion in the core area of specialty materials, an expanding development pipeline for life science products, and reliable income streams from chemical products and affiliated companies.

During Stage I of the plan, which covers the three-year period from FY2011 (fiscal year ended March 31, 2011) to FY2013, we will increase earnings by growing in the specialty materials category and expanding sales of chemical products.

We will also prepare for new growth and success during Stage II (FY2014 to FY2016) and beyond through forward investment in new businesses and products as drivers for future growth. In FY2013, the final year of Stage I, we aim to set new records for net sales, at ¥190,000 million, and operating income, at ¥25,000 million. In FY2016, the final year of Stage II, we aim to achieve net sales of ¥220,000 million and operating income of ¥36,000 million by creating new materials, adding animal health to our areas of activity in the Agricultural Chemicals business, and building a reliable income stream based on royalties from our Pharmaceutical business.

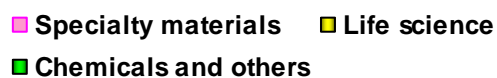
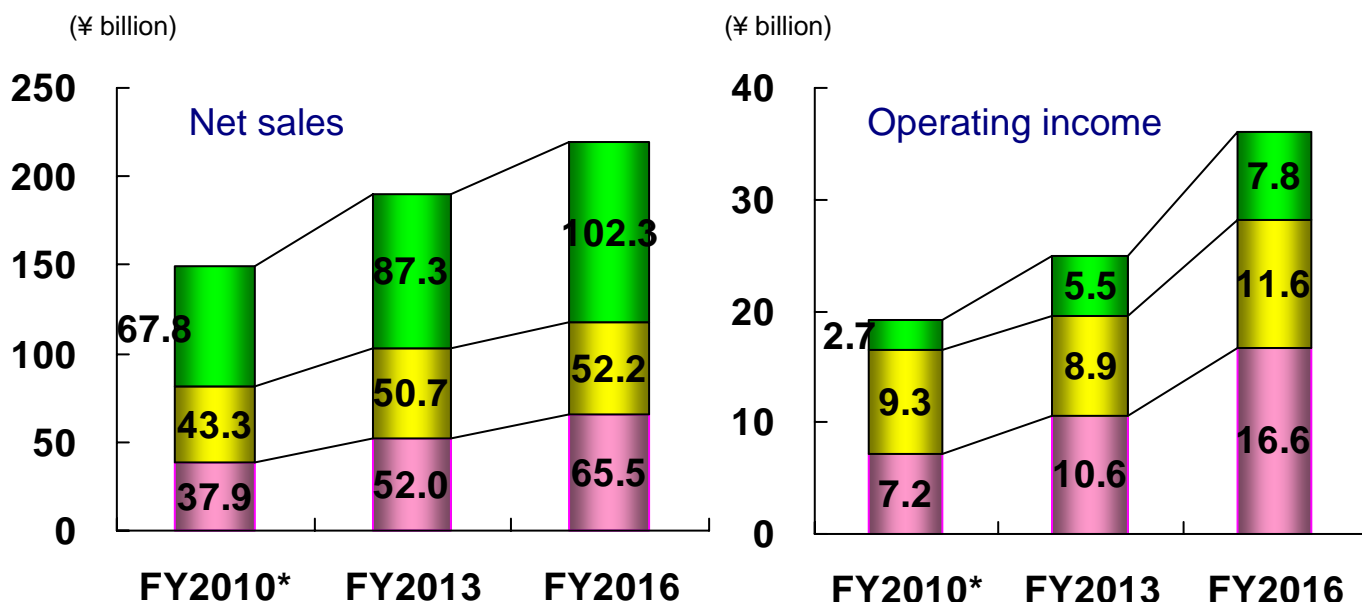
Profit Targets



*FY2010: fiscal year ended March 31, 2010



Profit by Business Areas



*FY2010: fiscal year ended March 31, 2010

Basic Strategies for Stage I

1. Creating New Growth Engines

We will accelerate the creation of new businesses and products as the foundation for our future growth and success.

- 1) We will establish new businesses through intensive development activities focusing on themes rigorously selected from a wide range of exploratory programs.
- 2) We will spur the development of new products by enhancing our ability to plan products based on market needs in areas relating to our various business segments.
- 3) We will acquire promising businesses and technologies in Japan and overseas.

2. Reinforcing R&D Capabilities

Our core areas of expertise are fine organic synthesis, ultrafine particle control technology, functional polymer design and evaluation to elucidate biological activity. We intend to build R&D structures that will allow us to realize the full potential of our capabilities in these fields.

- 1) By expanding and enhancing our biochemical research facilities, including the establishment of the new Onoda Research and Development Center, we will create a low-cost research environment capable of continually creating new products and maximizing the added value of existing products.
- 2) We will further enhance our research capabilities, including the introduction of advanced technologies through industry-government-academia collaboration in Japan and overseas.
- 3) We will commit ¥20,000 million in research-related capital investment, expand our research work force from 430 to 490, and increase R&D expenditure to ¥44,000 million.

3. Accelerating Development of Overseas Operations

To capture the growth potential of markets outside Japan, especially in the emerging economies, we will step up the development of our overseas operations.

- 1) We will expand local work forces and accelerate the development of a global structure by strengthening human resource development systems.
- 2) We will strengthen all aspects of business infrastructure at overseas sites, including marketing, research, development and manufacturing.

4. Developing Human Resources

We will focus our total resources into the development of high-quality human resources with the specialized skills and knowledge needed to realize our vision.

- 1) We will improve our R&D capabilities and production technology as the basis for the continuing creation of new value.

- 2) We will prepare for overseas expansion by actively fostering international perceptions and attitudes in our personnel.

Growth Sources for Stage I

The following initiatives will lead us to achieve record income in FY2013:

1. Specialty Materials Area

(1) Electronic Materials

- 1) We will maintain and expand the market shares for our existing SUNEVER and BARC lines.
- 2) We will capture markets for next-generation materials, including polarization materials for optical applications (VA/IPS) and multilayered semiconductor materials (Si-HM/SOC)
- 3) Development of new materials, including 3D packaging for semiconductors, CCD materials and organic EL materials, will be accelerated, and sustainable demand will be developed.
- 4) We will accelerate our overseas expansion by bolstering R&D activities and local work forces.

(2) Inorganic Materials

- 1) A second manufacturing facility will be built at the Toyama Plant, and production of high-added-value items at the Sodegaura Plant will be expanded.
- 2) We will expand overseas sales by strengthening the capabilities of our U.S. sales subsidiary.

(3) Organic Materials

We will build new businesses based on functional hyper-branch polymers, supramolecular gels and polylactic crystal nucleus materials.

2. Life Sciences Area

(1) Agricultural Chemicals

- 1) We will expand sales of our own developed products, including thifluzamide, and build a reliable income stream based on ROUNDUP.
- 2) NC-620, a new herbicide that will be effective against sulfonylurea-resistant weeds, will be brought to market in 2012.
- 3) We will establish business infrastructure in preparation for our expansion into animal health products in 2013.

(2) Pharmaceuticals

- 1) We will expand bulk shipments of LIVALO to Europe and North America and reduce manufacturing costs by reforming our production process.
- 2) We will secure royalty income by advancing to the development stage for drugs targeting chronic arterial occlusive disease, arrhythmia and thrombocytopenia.
- 3) We will expand our development pipeline by strengthening our drug discovery capabilities.

3. Chemicals Area

- 1) We will expand sales of high-added products, including high-purity chemicals and TEPIC, which is used in the production of electronic materials.
- 2) We will accelerate the development of sustainable demand for new products, including liquid type of epoxies.
- 3) We will exhaustively analyze our competitiveness and reduce costs in all business areas.

Financial Indicators

1. We will improve the operating income margin, mainly by expanding sales of high-added-value products and reducing costs.

Target for FY2013: 13.2%

Target for FY2016: 16.4%

2. We will make optimal use of our capital to achieve high earning capacity.

Target for FY2013: ROE of 13%

Target for FY2016: ROE of 15% or higher

3. We will invest aggressively in future growth.

Total capital investment during Stage I: ¥46,000 million

4. R&D is essential to our business operations and will be prioritized in the allocation of management resources.

Ratio of R&D expenditure to net sales during Stage I: 8.3%

5. We will actively return income to shareholders.

Dividend payout ratio: 30% or higher

By moving forward steadily under this plan, the Nissan Chemical Group aims to achieve sustainable growth and build a secure foundation for future success.