

**May 15, 2012**

# **Presentation for Investors**

**FY2011 (April 1 – March 31, 2012)**  
**Financial Results**

Translation of presentation material for the investor meeting held in Tokyo on May 15, 2012



FY2011 PL<sup>(1)</sup>

	FY2010			FY2011			Change			FY2011 Outlook				
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H(A) as of Oct.2011	2H(B) as of Mar.2012	Total(A) as of Oct.2011	Total(B) as of Mar.2012
Sales	72.1	82.1	154.2	69.8	78.8	148.6	-2.3	-3.3	-5.6	69.8	86.2	78.2	156.0	148.0
Operating Profit	8.3	11.5	19.8	6.6	8.9	15.5	-1.7	-2.6	-4.3	6.6	11.9	8.4	18.5	15.0
Non-Operating Income/Expenses	-0.5	0.1	-0.4	-0.1	0.5	0.4	0.4	0.4	0.8	-0.1	0.1	0.1	0.0	0.0
Ordinary Income	7.8	11.6	19.4	6.5	9.4	15.9	-1.3	-2.2	-3.5	6.5	12.0	8.5	18.5	15.0
Extraordinary Profit/Loss	-	-0.5	-0.5	-	0.7	0.7	-	1.2	1.2	-	0.2	/	0.2	/
Net Income	5.6	7.4	13.0	4.4	6.6	11.0	-1.2	-0.8	-2.0	4.4	8.3	5.9	12.7	10.3
EBITDA (2)	13.2	17.0	30.2	11.5	14.4	25.9	-1.7	-2.6	-4.3	11.5	17.7	/	29.2	/
EPS (¥)	32.81	43.13	75.94	25.88	38.64	64.52	-6.93	-4.49	-11.42	25.88	48.78	34.67	74.66	60.55
Dividend (¥/share)	¥12	¥12	¥24	¥12	¥12	¥24	¥0	¥0	¥0	¥12	¥12	/	¥24	/
Total amount of Dividend	2.1	2.0	4.1	2.1	2.0	4.1	0	0	0	2.1	2.0	/	4.1	/
OP Margin(%)	11.6%	14.0%	12.9%	9.4%	11.3%	10.4%	-2.2%	-2.7%	-2.5%	9.4%	13.7%	10.7%	11.9%	10.1%
ROE(%)	/	/	11.9%	/	/	9.5%	/	/	-2.4%	/	/	/	/	/
FX Rate (¥/\$)	89	82		80	82					80	80			
Naphtha(¥/KL)	46,900	48,500		57,000	52,800					57,000	54,000			
Comprehensive Income	/	/	12.1	/	/	11.5								

(1) FY2011 = April 1, 2011 ~ March 31, 2012

(2) EBITDA = Operating Profit + Depreciation

# 2H FY2011 Review

## <vs. 2H FY2010>

(Sales) ◆Down ¥3.3 billion (±) Pharmaceuticals  
(-) Chemicals, Performance Materials, Agrochemicals, Trading

(OP) ◆Down ¥2.6 billion (-) Chemicals, Performance Materials, Agrochemicals,  
Pharmaceuticals, Trading

(Ordinary Income) ◆Down ¥2.2 billion

(Net Income) ◆Down ¥0.8 billion

## <vs. 2H FY2011 Outlook as of October 2011>

(Sales) ◆Down ¥7.4 billion (+) Pharmaceuticals  
(-) Chemicals, Performance Materials, Agrochemicals, Trading

(OP) ◆Down ¥3.0 billion (+) Agrochemicals, Pharmaceuticals  
(-) Chemicals, Performance Materials, Trading

(Ordinary Income) ◆Down ¥2.6 billion

(Net Income) ◆Down ¥1.7 billion

<Dividend> ◆¥12 Same as 2H FY2011 Outlook as of October 2011

# 2H FY2011 Review

<vs. 2H FY2011 Outlook as of March 2012 >

**(Sales)** ◆Up ¥0.6 billion

(+) Performance Materials, Agrochemicals  
(±) Chemicals, Pharmaceuticals, Trading

**(OP)** ◆Up ¥0.5 billion

(+) Chemicals, Performance Materials, Agrochemicals  
(±) Pharmaceuticals, Trading

**(Ordinary Income)** ◆Up ¥0.9 billion

Non-Operating Income and Expenses +0.4

**(Net Income)** ◆Up ¥0.7 billion

<Dividend> ◆¥12 Same as 2H FY2011 Outlook as of October 2011

# FY2011 Review

## <vs. FY2010>

(Sales) ◆Down ¥5.6 billion(-3.6%) (+) Pharmaceuticals, Trading  
(-) Chemicals, Performance Materials, Agrochemicals

(OP) ◆Down ¥4.3 billion(-21.9%) (+) Pharmaceuticals  
(-) Chemicals, Performance Materials, Agrochemicals, Trading

(OP Margin) ◆10.4% More than 10% OP Margin in 9 consecutive years

(Non-Operating Income and Expenses) ◆Up ¥0.8 billion Foreign exchange losses +0.6  
Equity in earnings of affiliates +0.6, Others -0.4

(Ordinary Income) ◆Down ¥3.5 billion(-18.1%)

(Net Income) ◆Down ¥2.0 billion(-15.2%)

(ROE) ◆9.5%

## <Dividend>

(Dividend) ◆¥24/share Dividend payout ratio 37.2%

# FY2011

## Non-Operating Income/Expenses, Extraordinary Profit/Loss, Comprehensive Income

(¥billion)

	FY2010	FY2011	Change
<b>Non-Operating Income</b>	<b>2.03</b>	<b>2.28</b>	<b>0.25</b>
Interest income	0.04	0.03	-0.01
Dividend income	0.55	0.56	0.01
Others	1.44	1.69	0.25
<b>Non-Operating Expenses</b>	<b>2.48</b>	<b>1.89</b>	<b>-0.59</b>
Interest expense	0.50	0.45	-0.05
Loss on disposal of fixed assets	0.45	0.24	-0.21
Others	1.53	1.20	-0.33
<b>Extraordinary Profit (1)</b>	<b>0.11</b>	<b>0.65</b>	<b>0.54</b>
<b>Extraordinary Loss (2)</b>	<b>-0.63</b>	<b>0.00</b>	<b>0.63</b>
<b>Comprehensive Income</b>	<b>12.05</b>	<b>11.48</b>	<b>-0.57</b>
Net income	12.95	10.98	-1.97
Minority interests	0.07	0.08	0.01
Unrealized gains or losses on investment securities	-0.45	0.58	1.03
Foreign currency translation adjustments	-0.52	-0.16	0.36

(1) FY2010: Reversal of provision for loss on business liquidation 0.11

FY2011: Gain on sales of business 0.65

(2) FY2010: One-time losses caused by a change in employees' retirement benefit plan -0.63

# FY2011 Cash Flows

(¥billion)

	FY2010			FY2011			Change			FY2011 Outlook as of October 2011		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total
<b>CF from operating activities</b>	21.8	2.9	24.7	20.4	0.9	21.3	-1.4	-2.0	-3.4	20.4	-1.4	19.0
Profit before income tax	7.8	11.1	18.9	6.5	10.0	16.5	-1.3	-1.1	-2.4	6.5	12.2	18.7
Depreciation & Amortization	4.9	5.5	10.4	4.9	5.6	10.5	0.0	0.1	0.1	4.9	5.8	10.7
Tax	-3.7	-2.8	-6.5	-3.1	-2.9	-6.0	0.6	-0.1	0.5	-3.1	-3.0	-6.1
Working capital, others	12.8	-10.9	1.9	12.1	-11.8	0.3	-0.7	-0.9	-1.6	12.1	-16.4	-4.3
<b>CF from investing activities</b>	-2.9	-5.4	-8.3	-6.3	-3.0	-9.3	-3.4	2.4	-1.0	-6.3	-6.3	-12.6
Purchase of investments in securities	0.6	0.0	0.6	-0.9	0.1	-0.8	-1.5	0.1	-1.4	-0.9	0.0	-0.9
Purchase of PPE	-2.7	-5.8	-8.5	-4.9	-3.8	-8.7	-2.2	2.0	-0.2	-4.9	-6.3	-11.2
Others	-0.8	0.4	-0.4	-0.5	0.7	0.2	0.3	0.3	0.6	-0.5	0.0	-0.5
<b>CF from financing activities</b>	-18.3	8.7	-9.6	-9.6	4.5	-5.1	8.7	-4.2	4.5	-9.6	3.6	-6.0
Dividends paid	-2.4	-2.1	-4.5	-2.0	-2.1	-4.1	0.4	0.0	0.4	-2.0	-2.0	-4.0
Borrowings	-13.0	10.8	-2.2	-7.5	6.5	-1.0	5.5	-4.3	1.2	-7.5	5.6	-1.9
Purchase of treasury shares	-2.8	0.0	-2.8	0.0	0.0	0.0	2.8	0.0	2.8	0.0	0.0	0.0
Others	-0.1	0.0	-0.1	-0.1	0.1	0.0	0.0	0.1	0.1	-0.1	0.0	-0.1
Effect of FX rate changes on cash & cash equivalents	-0.3	-0.2	-0.5	-0.4	0.3	-0.1	-0.1	0.5	0.4	-0.4	0.0	-0.4
<b>Change in cash &amp; cash equivalents</b>	<b>0.3</b>	<b>6.0</b>	<b>6.3</b>	<b>4.1</b>	<b>2.7</b>	<b>6.8</b>	<b>3.8</b>	<b>-3.3</b>	<b>0.5</b>	<b>4.1</b>	<b>-4.1</b>	<b>0.0</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>15.1</b>	<b>21.1</b>		<b>25.2</b>	<b>27.9</b>		<b>10.1</b>	<b>6.8</b>		<b>25.2</b>	<b>21.1</b>	



# FY2011 Balance Sheets

(¥billion)

	2011/3	2012/3	Change
<b>Current assets</b>	<b>110.5</b>	<b>118.4</b>	<b>7.9</b>
Cash	21.1	27.9	6.8
Accounts receivable	55.2	55.5	0.3
Inventories	28.4	29.4	1.0
Others	5.8	5.6	-0.2
<b>Fixed assets</b>	<b>72.9</b>	<b>71.7</b>	<b>-1.2</b>
Total PPE	46.4	44.7	-1.7
Intangible assets	3.4	2.8	-0.6
Investment securities	20.3	22.3	2.0
Others	2.8	1.9	-0.9
<b>Total assets</b>	<b>183.4</b>	<b>190.1</b>	<b>6.7</b>

	2011/3	2012/3	Change
<b>Liabilities</b>	<b>71.0</b>	<b>70.5</b>	<b>-0.5</b>
Accounts payable	15.4	17.3	1.9
Borrowings	39.9	38.9	-1.0
Others	15.7	14.3	-1.4
<b>Net assets</b>	<b>112.4</b>	<b>119.6</b>	<b>7.2</b>
<b>Shareholders' equity</b>	<b>111.1</b>	<b>118.0</b>	<b>6.9</b>
Unrealized gains or losses on investment securities	1.4	2.0	0.6
Foreign currency translation adjustments	-1.2	-1.4	-0.2
Minority interests	1.1	1.0	-0.1
<b>Total liabilities &amp; Net assets</b>	<b>183.4</b>	<b>190.1</b>	<b>6.7</b>

(D/E Ratio)<sup>(1)</sup> 16.9% 9.3%  
 (Equity Ratio) 60.7% 62.4%

(1) D/E Ratio = (Borrowings - Cash) / Shareholders' equity

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# New Segmentation (From 2Q 2011)

◆ Reflecting organizational changes implemented in June 2011

◆ Major organizational change

Creation of Performance Materials Division to consolidate Electronic Materials Division and Inorganic Materials Division aiming to strengthen performance materials business which is identified as our major growth engine

◆ Major changes in segmentation

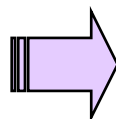
Creation of Performance Materials → Electronic Materials + Inorganic Materials

Change in Chemicals

→ Inorganic Materials shifted to Performance Materials

Creation of Fine Chemicals subsegment, abolishment of Organic Materials subsegment  
Environmental Chemicals (HI-LITE) shifted from basic Chemicals to Fine Chemicals

Former Segmentation		
Segment	Main Products	
Chem	Organic Materials	TEPIC Melamine cyanurate Custom Chemicals
	Inorganic Materials	SNOWTEX Organo sillica sol Alumina sol SUNCOLLOID CELNAX
	Basic Chemicals	Melamine Urea, AdBlue HI-LITE Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Electronic Materials	SUNEVER, BARC NHC Multi layer process materials Micro lens	
Agro Chem	Agro	Herbicides Insecticides Fungicide
Pharma	LIVALO	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	



New Segmentation		
Segment	Main Products	
Chem	Fine Chemicals	TEPIC Melamine cyanurate HI-LITE Custom Chemicals
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Performance Materials	SUNEVER, BARC, NHC, Multi layer process materials Micro lens SNOWTEX, Organo sillica sol Alumina sol, SUNCOLLOID CELNAX	
Agro Chem	Agro	Herbicides Insecticides Fungicide
Pharma	LIVALO	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	

# Diversified Product Portfolio

◆ Consisting of products holding strong position in market

(¥ billion)

Chem	FY2011 Sales
Fine Chemicals	11.0 (7.4%)
Basic Chemicals	25.9 (17.4%)
Performance Materials	34.0 (22.9%)
Agro	33.8 (22.7%)
Pharma	10.0 (6.8%)
Trading	44.8 (30.2%)
Others	20.0 (13.4%)

**TEPIC**

Epoxy compound for painting, LED sealant, solder resist

High purity sulfuric acid

Agents for cleaning semiconductors

**AdBlue**

Urea to reduce NOx for diesel trucks

**SUNEVER**

LCD alignment coating

**BARC**

Bottom-anti-reflective coating for semiconductor

**SNOWTEX**

Silica sol for polishing silicon wafer catalyst, non-chrome electrical steel sheet, etc.

**ROUNDUP**

Non-selective herbicide

**SIRIUS**

Paddy rice herbicide

**LIVALO**

Anti-cholesterol drug

NCI's Position

**Largest (World)**

**Largest (Japan)**

Among top 3 (Japan)

**Major (Asia)**

**Largest (Asia)**

**Largest (Japan)**

**Largest (Japan)**

**No.3 (Japan)**

**No.3 (Japan)**

# FY2011 Sales by Segment<sup>(1)</sup>

(¥billion)

	FY2010			FY2011			Change			FY2011 Outlook as of October 2011		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2HE	Total
<b>Chem</b>	18.5	19.6	38.1	18.6	18.3	36.9	0.1	-1.3	-1.2	18.6	20.7	39.3
<b>Fine Chemicals</b>	6.1	5.2	11.3	5.9	5.0	10.9	-0.2	-0.2	-0.4	5.9	5.9	11.8
<b>Basic Chemicals</b>	12.4	14.4	26.8	12.7	13.3	26.0	0.3	-1.1	-0.8	12.7	14.8	27.5
<b>Performance Materials</b>	19.7	18.3	38.0	17.0	17.0	34.0	-2.7	-1.3	-4.0	17.0	20.3	37.3
<b>Agro</b>	12.0	22.4	34.4	12.5	21.3	33.8	0.5	-1.1	-0.6	12.5	22.2	34.7
<b>Pharma</b>	4.8	4.8	9.6	5.2	4.8	10.0	0.4	0.0	0.4	5.2	4.6	9.8
<b>Trading</b>	21.2	22.9	44.1	22.5	22.3	44.8	1.3	-0.6	0.7	22.5	25.8	48.3
<b>Others</b>	11.1	15.9	27.0	9.3	10.7	20.0	-1.8	-5.2	-7.0	9.3	11.1	20.4
<b>Adjustment</b>	-15.2	-21.8	-37.0	-15.3	-15.6	-30.9	-0.1	6.2	6.1	-15.3	-18.5	-33.8
<b>Total</b>	72.1	82.1	154.2	69.8	78.8	148.6	-2.3	-3.3	-5.6	69.8	86.2	156.0

(1) FY2010 are restated based on new segmentation

# FY2011 OP by Segment (1)

	FY2010			FY2011			Change			FY2011 Outlook as of October 2011		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2HE	Total
<b>Chem</b>	0.6	1.8	2.4	0.8	0.8	1.6	0.2	-1.0	-0.8	0.8	2.1	2.9
<b>Fine Chemicals</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Basic Chemicals</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Performance Materials</b>	4.9	3.0	7.9	2.6	2.2	4.8	-2.3	-0.8	-3.1	2.6	4.3	6.9
<b>Agro</b>	0.8	4.0	4.8	0.8	3.6	4.4	0.0	-0.4	-0.4	0.8	3.4	4.2
<b>Pharma</b>	2.1	2.3	4.4	2.6	2.0	4.6	0.5	-0.3	0.2	2.6	1.7	4.3
<b>Trading</b>	0.7	0.7	1.4	0.7	0.6	1.3	0.0	-0.1	-0.1	0.7	0.9	1.6
<b>Others</b>	0.1	0.9	1.0	0.0	0.3	0.3	-0.1	-0.6	-0.7	0.0	0.3	0.3
<b>Adjustment</b>	-0.9	-1.2	-2.1	-0.9	-0.6	-1.5	0.0	0.6	0.6	-0.9	-0.8	-1.7
<b>Total</b>	8.3	11.5	19.8	6.6	8.9	15.5	-1.7	-2.6	-4.3	6.6	11.9	18.5

(¥billion)

(1) FY2010 are restated based on new segmentation

# 2H FY2011 Review by Segment

## (Chemicals) (vs.2H FY2010)

(Basic Chemicals) ◆OP down

- ◆Naphtha cost increase as well as sales decrease in melamine
- ◆Urea/AdBlue sales up, fixed cost down

(Fine Chemicals) ◆OP flat

- ◆Sales down (Custom Chemicals up, but other products down due to strong yen and weak electronic appliances market)
- ◆Fixed cost down

(Total Segment) ◆Sales down ¥1.3billion, OP down ¥1.0billion

(vs.2H FY2011 Outlook as of October 2011)

(Basic Chemicals) ◆Demand for melamine and major products below outlook

(Fine Chemicals) ◆Except Custom Chemicals, sales below expectations due to strong yen and weak electronic appliances market)

(Total Segment) ◆Sales down ¥2.4billion, OP down ¥1.3billion

## (Performance Materials)

(vs.2H FY2010)

- ◆Sales down ¥1.3billion, OP down ¥0.8billion
- ◆Sales decrease in TN, VA, BARC(including non-BARC ArF), SNOWTEX
- ◆Substantial sales increase in IPS/FFS, 3D TV materials launched
- ◆Fixed cost up

(vs.2H FY2011 Outlook as of October 2011)

- ◆Sales down ¥3.3billion, OP down ¥2.1billion
- ◆Except VA, all major products sales below expectations due to weak respective market conditions

## (Agro)

(vs.2H FY2010)

- ◆Sales down ¥1.1billion, OP down ¥0.4billion
- ◆Paddy rice herbicide down, some licensed-in contracts discontinued
- ◆Marketing cost up, depreciation cost up (new Biological Research Laboratories), R&D expenses up

(vs.2H FY2011 Outlook as of October 2011)

- ◆Sales down ¥0.9billion, OP up ¥0.2billion
- ◆Sales of some paddy rice herbicide and licensed-in products below outlook
- ◆Cost cut, shift to higher margin products

## (Pharmaceuticals)

(vs.2H FY2010)

- ◆Sales flat, OP down ¥0.3billion
- ◆LIVALO sales up ¥0.4billion, milestones down ¥0.5billion
- ◆Depreciation cost up (new Biological Research Laboratories)

(vs.2H FY2011 Outlook as of October 2011)

- ◆Sales up ¥0.2billion, OP up ¥0.3billion
- ◆Domestic LIVALO sales above expectations, fixed cost below outlook

## (Trading)

(vs.2H FY2010 and vs.2H FY2011 Outlook as of October 2011)

- ◆Sales and OP down due to smaller trading activities

# FY2011 YOY Review by Segment

## (Chemicals)

- (Basic Chemicals) ◆ OP down
  - ◆ Slight OP decrease in 1H, large OP decrease in 2H due to sales decrease in melamine though urea/ AdBlue sales up, and fixed cost down
- (Fine Chemicals) ◆ OP up
  - ◆ Custom Chemicals sales up, other products sales down
  - ◆ Fixed cost down
- (Total Segment) ◆ Sales down ¥1.2billion, OP down ¥0.8billion

## (Performance Materials)

- ◆ Sales down ¥4.0billion, OP down ¥3.1billion
- ◆ Sales decrease in TN, VA, BARC(including non-BARC ArF), SNOWTEX
- ◆ Substantial sales increase in IPS/FFS, BARC ArF volume up, new products sales up 36%
- ◆ Fixed cost up (new SNOWTEX plant completed in March 2011)

## (Agro)

- ◆ Sales down ¥0.6billion, OP down ¥0.4billion
- ◆ Though in-house developed products sales up (ROUNDUP, LEIMAY, STARMITE, THIFLUZAMIDE, etc.), no milestones on the animal health products received as expected

## (Pharmaceuticals)

- ◆ Sales up ¥0.4billion (LIVALO up ¥0.7billion, milestones down ¥0.2billion), OP up ¥0.2billion
- ◆ Depreciation cost up (new plant, new Biological Research Laboratories), cost cut

## (Trading)

- ◆ Sales up ¥0.7billion, OP down ¥0.1billion
- ◆ Recovery in 1H, lower trading activities in 2H



# FY2011 Outlook

(¥billion)

	FY2011			FY2012E			Change		
	1H	2H	Total	1HE	2HE	Total	1HE	2HE	Total
Sales	69.8	78.8	148.6	69.4	83.6	153.0	-0.4	4.8	4.4
Operating Profit	6.6	8.9	15.5	6.3	10.9	17.2	-0.3	2.0	1.7
Non-Operating Income/Expenses	-0.1	0.5	0.4	-0.2	0.4	0.2	-0.1	-0.1	-0.2
Ordinary Income	6.5	9.4	15.9	6.1	11.3	17.4	-0.4	1.9	1.5
Extraordinary Profit/Loss	-	0.7	0.7	-	-	-	-	-0.7	-0.7
Net Income	4.4	6.6	11.0	3.6	7.8	11.4	-0.8	1.2	0.4
EBITDA (1)	11.5	14.4	25.9	10.8	16.4	27.2	-0.7	2.0	1.3
EPS (¥) (2)	25.88	38.64	64.52	20.93	46.26	67.19	-4.95	7.62	2.67
Dividend (¥/share)	¥12	¥12	¥24	¥12	¥12	¥24	¥0	¥0	¥0
Total amount of Dividend (2)	2.1	2.0	4.1	2.0	1.9	3.9	-0.1	-0.1	-0.2
OP Margin(%)	9.4%	11.3%	10.4%	9.1%	13.0%	11.2%	-0.3%	1.7%	0.8%
ROE(%) (2)	/	/	9.5%	/	/	9.5%	/	/	0.0%
FX Rate (¥/\$)	80	82		77	77				
Naphtha(¥/kl)	57,000	52,800		53,000	53,000				
Comprehensive income	/	/	12.1						

(1) EBITDA = Operating Profit + Depreciation

(2) EPS, Total amount of Dividend, ROE based on purchase of treasury shares announced on May 15, 2012

# FY2012 Outlook

< vs. FY2011 >

**(Sales)** ◆ Up ¥4.4 billion (+2.9%) (+) Chemicals, Performance Materials, Agrochemicals, Trading  
(-) Pharmaceuticals

**(OP)** ◆ Up ¥1.7 billion (+10.9%) (+) Chemicals, Performance Materials, Trading  
(-) Agrochemicals, Pharmaceuticals

**(Non-Operating Income and Expenses)** ◆ Down ¥0.2 billion  
Foreign exchange losses +0.1  
Equity in earnings of affiliates -0.1  
Others -0.2

**(Ordinary Income)** ◆ Up ¥1.5 billion(+9.4%)

**(Net Income)** ◆ Up ¥0.4 billion(+3.6%) Extraordinary Profit/Loss -0.7

< Dividend > ◆ ¥12 both 1H and 2H, same as FY2011

# FY2012 Cash Flows Outlook

(¥billion)

	2011	2012E
<b>CF from operating activities</b>	<b>21.3</b>	<b>22.4</b>
Profit before income tax	16.5	17.4
Depreciation & Amortization	10.5	10.0
Tax	-6.0	-4.8
Working capital, others	0.3	-0.2
<b>CF from investing activities</b>	<b>-9.3</b>	<b>-11.0</b>
Purchase of investments in securities	-0.8	0.0
Purchase of PPE	-8.7	-11.0
Others	0.2	0.0
<b>CF from financing activities</b>	<b>-5.1</b>	<b>-10.0</b>
Dividends paid	-4.1	-4.0
Borrowings	-1.0	-1.0
Purchase of treasury shares	0.0	-5.0
Others	0.0	0.0
<b>Effect of FX rate changes on cash &amp; cash equivalents</b>	<b>-0.1</b>	<b>0.0</b>
<b>Change in cash &amp; cash equivalents</b>	<b>6.8</b>	<b>1.4</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>27.9</b>	<b>29.3</b>

(Blank)

# FY2012 Sales Outlook by Segment

(¥billion)

	FY2011			FY20112E			Change		
	1H	2H	Total	1HE	2HE	Total	1HE	2HE	Total
<b>Chem</b>	18.6	18.3	36.9	18.4	20.1	38.5	-0.2	1.8	1.6
<b>Fine Chemicals</b>	5.9	5.0	10.9	5.7	6.1	11.8	-0.2	1.1	0.9
<b>Basic Chemicals</b>	12.7	13.3	26.0	12.7	14.0	26.7	0.0	0.7	0.7
<b>Performance Materials</b>	17.0	17.0	34.0	17.5	19.7	37.2	0.5	2.7	3.2
<b>Agro</b>	12.5	21.3	33.8	13.0	21.6	34.6	0.5	0.3	0.8
<b>Pharma</b>	5.2	4.8	10.0	4.9	4.1	9.0	-0.3	-0.7	-1.0
<b>Trading</b>	22.5	22.3	44.8	22.3	24.9	47.2	-0.2	2.6	2.4
<b>Others</b>	9.3	10.7	20.0	9.2	13.5	22.7	-0.1	2.8	2.7
<b>Adjustment</b>	-15.3	-15.6	-30.9	-15.9	-20.3	-36.2	-0.6	-4.7	-5.3
<b>Total</b>	69.8	78.8	148.6	69.4	83.6	153.0	-0.4	4.8	4.4

# FY2012 OP Outlook by Segment

(¥billion)

	FY2011			FY20112E			Change		
	1H	2H	Total	1HE	2HE	Total	1HE	2HE	Total
<b>Chem</b>	<b>0.8</b>	<b>0.8</b>	<b>1.6</b>	<b>0.6</b>	<b>1.7</b>	<b>2.3</b>	<b>-0.2</b>	<b>0.9</b>	<b>0.7</b>
<b>Fine Chemicals</b>	-	-	-	-	-	-	-	-	-
<b>Basic Chemicals</b>	-	-	-	-	-	-	-	-	-
<b>Performance Materials</b>	<b>2.6</b>	<b>2.2</b>	<b>4.8</b>	<b>2.7</b>	<b>3.6</b>	<b>6.3</b>	<b>0.1</b>	<b>1.4</b>	<b>1.5</b>
<b>Agro</b>	<b>0.8</b>	<b>3.6</b>	<b>4.4</b>	<b>0.8</b>	<b>3.4</b>	<b>4.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Pharma</b>	<b>2.6</b>	<b>2.0</b>	<b>4.6</b>	<b>2.3</b>	<b>1.7</b>	<b>4.0</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.6</b>
<b>Trading</b>	<b>0.7</b>	<b>0.6</b>	<b>1.3</b>	<b>0.6</b>	<b>0.8</b>	<b>1.4</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.1</b>
<b>Others</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>Adjustment</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-1.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>Total</b>	<b>6.6</b>	<b>8.9</b>	<b>15.5</b>	<b>6.3</b>	<b>10.9</b>	<b>17.2</b>	<b>-0.3</b>	<b>2.0</b>	<b>1.7</b>

# FY2012 YOY Outlook by Segment

## (Chemicals)

(Basic Chemicals) ◆ OP up

- ◆ Market conditions expected to be weak in 1H
- ◆ Sales of urea/AdBlue and high purity sulfuric acid up in 2H
- ◆ Slight recovery in melamine expected in 2H
- ◆ Fixed cost down

(Fine Chemicals) ◆ OP up

- ◆ Market conditions expected to be weak in 1H
- ◆ Sales of Custom Chemicals up in 2H, demand for TEPIC up in 2H
- ◆ Fixed cost down

(Total Segment) ◆ Sales up ¥1.6billion, OP up ¥0.7billion

## (Performance Materials)

- ◆ Sales up ¥3.2billion, OP up ¥1.5billion
- ◆ Recovery in demand for SUNEVER, Inorganic Materials expected
- ◆ Sales of new products up 79%
- ◆ Recovery of BARC and Inorganic Materials expected in 2H

## (Agro)

- ◆ Sales down ¥0.8billion, OP down ¥0.2billion
- ◆ In-house developed products sales up (STARMITE, LEIMAY, NC-620 in Korea, etc.)
- ◆ Milestones on the animal health products expected
- ◆ Depreciation cost up (new Biological Research Laboratories), R&D expenses up

## (Pharmaceuticals)

- ◆ Sales down ¥1.0billion (LIVALO down ¥0.1billion, milestones down ¥0.4billion, others down ¥0.5billion), OP down ¥0.6billion
- ◆ LIVALO volume up, but National Health Insurance drug price cut 8%

## (Trading)

- ◆ Sales up ¥2.4billion, OP up ¥0.1billion
- ◆ Recovery in trading activities expected in 2H

# Chemicals – ① Fine Chemicals subsegment

Product	Characteristics and Trend	Non-consolidated Sales YOY Change								
		FY2011 Outlook as of Oct. 2011			FY2011 Actual			FY2012E		
		1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	1H E	2H E	FY 2012E
<b>Total Subsegment</b>		-3%	+13%	+4%	-3%	-3%	-3%	-4%	+21%	+8%
<b>TEPIC</b>	<ul style="list-style-type: none"> <li>◆ Epoxy compound for : solder resist, LED sealant, powder coating hardening agent for paintt (automobiles, electric appliances)</li> <li>◆ World largest producer</li> </ul> <p>(FY2011) Sales down due to strong yen and weak electronics market                      (FY2012) Demand expected to recover in 2H                      Focusing on development of new liquid TEPIC</p>	-12%	+4%	-4%	-12%	-13%	-12%	-2%	+18%	+8%
<b>Environmental related products</b>	<ul style="list-style-type: none"> <li>◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank</li> </ul> <p>(FY2011) Sales down due to the Earthquake as well as strong yen                      (FY2012) Demand expected to recover in 2H</p>	-11%	+6%	-4%	-11%	-14%	-12%	-5%	+22%	+6%
<b>Custom Chemicals</b>	<ul style="list-style-type: none"> <li>◆ Custom manufacturing and process researching services for pharma companies</li> <li>◆ New plant completed in Onoda in July 2010 (capex ¥ 2.0 billion)</li> </ul> <p>(FY2011) Sales up due to new contracts                      (FY2012) Sales up                      Increase in work on existing contracts                      New contracts expected                      Decrease in depreciation cost</p>	+29%	+23%	+27%	+29%	+39%	+33%	-12%	+40%	+11%

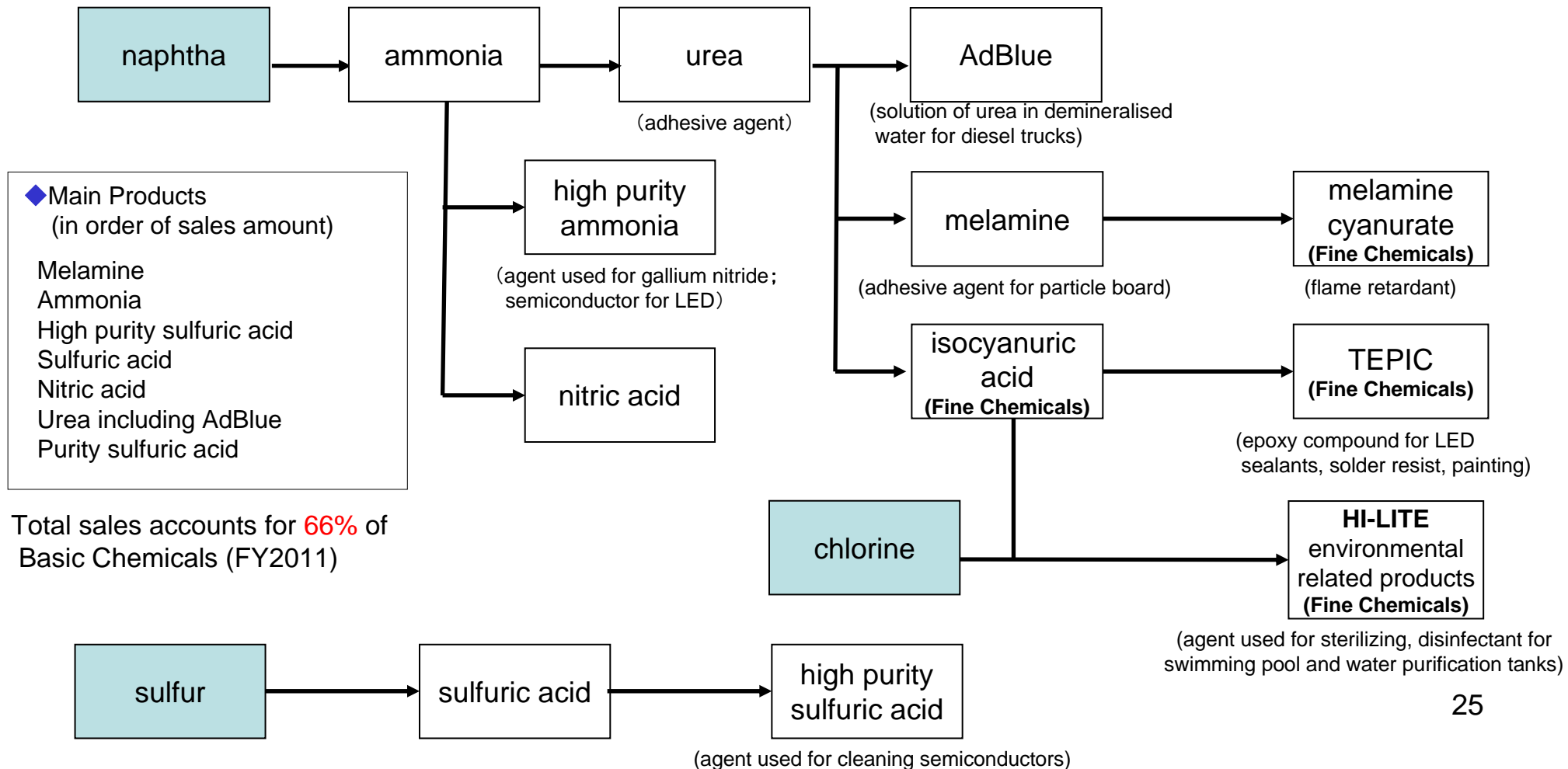
Four products account for 80% of total non-consolidated subsegment sales (FY2011)



# Chemicals – ② Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2011 ammonia domestic market share 8%, large percentage of self-consumption of ammonia

(  = Purchase material )



# Chemicals – ② Basic Chemicals subsegment

Product	Characteristics and Trend	Non-consolidated Sales YOY Change								
		FY2011 Outlook as of Oct. 2011			FY2011 Actual			FY2012E		
		1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	1H E	2H E	FY 2012E
<b>Total Subsegment</b>		+2%	+4%	+3%	+2%	-8%	-3%	+0%	+6%	+3%
<b>Melamine</b>	<ul style="list-style-type: none"> <li>◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood</li> <li>(FY2011) Sales for both domestic and export market sluggish due to the Earthquake, strong yen and weak Asian market</li> <li>(FY2012) Sales down 1% v.s. FY2011</li> <li>Weak demand expected to continue in 1H, slight recovery expected in 2H</li> </ul>	-4%	-13%	-13%	-12%	-37%	-26%	-10%	+8%	-1%
<b>Urea including AdBlue</b>	<ul style="list-style-type: none"> <li>◆ Urea: mainly used for urea formaldehyde resin, adhesive agent</li> <li>◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce NOx</li> <li>(FY2011) Sales up due to strong marketing efforts, supported by new domestic NOx rules on diesel trucks</li> <li>(FY2012) Sales up based on continued marketing efforts</li> </ul>	+16%	+52%	+35%	+16%	+28%	+22%	+36%	+26%	+31%
<b>High purity sulfuric acid</b>	<ul style="list-style-type: none"> <li>◆ Used to clean semiconductors</li> <li>◆ Largest domestic producer</li> <li>◆ Capacity expansion(+15%) completed in May 2011 to accommodate increase in demand</li> <li>(FY2011) Sales up slightly due to weak semiconductors market</li> <li>(FY2012) Weak demand expected to continue in 1H, but sales up in 2H in line with semiconductors recovery</li> </ul>	-1%	+21%	+10%	-1%	+2%	+1%	-1%	+13%	+6%

Four products account for 32% of total non-consolidated subsegment sales(FY2011)

# Performance Materials – ① SUNEVER

## ◆ 2H FY2011 Actual ( vs. 2H FY2010 )

Sales down 7%

Remarkable IPS/FFS (for tablet PC and smart phone ) sales increase, but large sales decrease in TN and VA due to customers' production cut

## ( vs. 2H FY2011 Outlook as of October 2011 )

Sales down vs. October 2011 outlook

VA above expectations, but TN and IPS/FFS below expectations because of smaller customers' volume

## ◆ FY2012 YOY Outlook Sales up 14%

Recovery in panel market

Sales increase in IPS/FFS and VA

## ◆ Development of various new alignment technologies progressing

## ◆ Technical Service Center in Taiwan completed in April 2011

	Major Use	Consolidated Sales YOY Change								
		FY2011 Outlook as of October 2011			FY2011 Actual			FY2012E		
		1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	1H E	2H E	FY 2012E
<b>Total SUNEVER</b>		-23%	+4%	-10%	-23%	-7%	-15%	+10%	+18%	+14%
<b>TN</b> (twisted nematic)	PC, monitor	-31%	-16%	-25%	-31%	-25%	-28%	-16%	-4%	-10%
<b>IPS/FFS</b> (in plane switching / fringe field switching)	TV, tablet PC, smart phone	-13%	+26%	+6%	-13%	+13%	+0%	+36%	+34%	+35%
<b>VA</b> (vertical alignment)										

# Electronic Materials – ② BARC (bottom anti-reflective coating for semiconductor)

◆ **2H FY2011 Actual** ( vs. 2H FY2010 )

Sales down due to sluggish demand for KrF and non-BARC ArF (BARC ArF volume up)

( vs. 2H FY2011 Outlook as of October 2011 )

Sales down due to weak demand for KrF and ArF

◆ **FY2012 YOY Outlook** Sales down 4%

Continued weak semiconductors market in 1H, recovery expected in 2H (BARC ArF volume up)

	Line Width	Consolidated Sales YOY Change								
		FY2011 Outlook as of October 2011			FY2011 Actual			FY2012E		
		1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	1H E	2H E	FY 2012E
<b>Total BARC</b>		-15%	-1%	-8%	-15%	-9%	-12%	-5%	-2%	-4%
<b>KrF</b>	130nm~110nm	-19%	-7%	-13%	-19%	-16%	-18%	-12%	-5%	-9%
<b>ArF(1)</b>	90nm>	-12%	+2%	-5%	-12%	-5%	-9%	-2%	+0%	-1%

(1) Including Non-BARC application

# Performance Materials – ③ Inorganic Materials

## ④ New Products

### ◆ Inorganic Materials (SNOWTEX, Organo sol)

Product	Characteristics and Trend	Non-consolidated Sales YOY Change								
		FY2011 Outlook as of October 2011			FY2011 Actual			FY2012E		
		1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	1H E	2H E	FY 2012E
<b>SNOWTEX</b>	<ul style="list-style-type: none"> <li>◆ Silica sol for : polishing silicon wafer/aluminum and glass hard disk, NOx reduction catalyst, automobile catalyst, chrome-free electrical steel sheet</li> <li>◆ Largest domestic producer, major global producer</li> <li>◆ New second plant in Toyama completed in March 2011 (production capacity +20% )</li> <li>(2H FY2011) Sluggish demand for polishing applications as well as non-polishing applications</li> <li>(FY2012) In 2H, recovery of demand for all applications expected</li> </ul>	-9%	+17%	+4%	-9%	-24%	-16%	-10%	+29%	+7%
<b>Organo sol</b>	<ul style="list-style-type: none"> <li>◆ Used for hard coating materials, electronic information materials</li> <li>◆ World largest producer</li> <li>(2H FY2011) Demand for certain electronic information up</li> <li>(FY2012) In 2H, recovery of demand for electronic information materials expected</li> </ul>	-5%	+42%	+16%	-5%	+12%	+2%	-1%	+28%	+13%

### ◆ New Products

Sales of new products such as multi layer process materials, 3D TV materials, NHC (protection layer of touch panel) increasing substantially

Sales YOY change: FY2011 Actual +36%, FY2012 Outlook +79%

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# Agrochemicals – ①

## ◆ Stable profit center

### ◆ Strengthening product portfolio by: (a) in-house developed products, (b) acquired products, (c) licensed-in products

(a) In-house developed products : LEIMEY(fungicide), STARMITE(miticide) in FY2008

(b) Acquired products : ROUNDUP(herbicide, acquired from Monsanto) in FY2002,  
THIFLUZAMIDE(fungicide, acquired from Dow) in FY2009

(c) Licensed-in products : PREVATHON(insecticide, licensed from DuPont) in FY2009,  
AVH(herbicide, licensed from ZEN-NOH, Bayer and Hokko) in FY2010

## ◆ Pipeline

(a) In-house developed products : NC620 (paddy rice herbicide, launch FY2013)

Animal health product (licensing product, launch FY2014)

(c) Licensed-in products : Fruits/vegetables/paddy rice insecticide, Fruits/vegetables/tea insecticide,  
Fruits/vegetables fungicide

## ◆ Full reconstruction of Biological Research Laboratories (FY2010-2015)

### ◆ Acquired 3% share of IHARABRÁS (leading agro company in Brazil) in September 2011 to strengthen R&D and marketing capabilities in the rapidly growing market in Latin America

## ◆ Main products:

ROUNDUP(herbicide), SIRIUS(herbicide), PERMIT(herbicide), TARGA(herbicide), THIFLUZAMIDE(fungicide), STARMITE(insecticide), LEIMEY(fungicide), BUTACHLOR(herbicide), SANMITE(insecticide)

⇒9 products account for 66% of total non-consolidated segment sales before discount(FY2011)

## ◆ Export sales account for about 20% of total non-consolidated segment sales(FY2011) (Asia:49%, Europe,Africa:24%, North/Central/South America:27%)

# Agrochemicals – ② Non-consolidated Segment Sales (before discount)

	Non-consolidated Sales YOY Change (before discount)						
	FY2011 Outlook as of October 2011			FY2011			FY2012E
	1H Actual	2H E	FY 2011E	1H Actual	2H Actual	FY 2011	
<b>ROUNDUP</b>	+33%	+0%	+9%	+33%	+0%	+9%	+0%
<b>Except ROUNDUP</b>	-2%	+1%	+0%	-2%	-4%	-3%	+4%
<b>Total Segment</b>	+4%	+0%	+2%	+4%	-3%	-1%	+3%

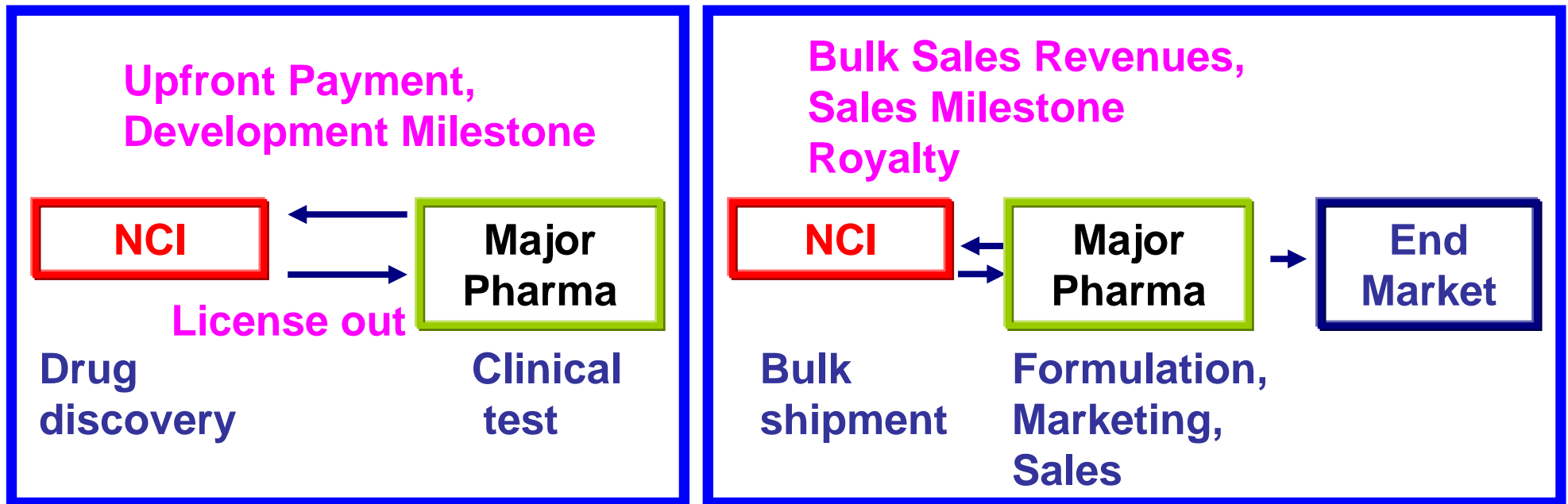
	Distribution of NCI Non-consolidated Sales	
	FY2010	FY2011
<b>Fungicide +Insecticide</b>	3%	2%
<b>Insecticide</b>	19%	18%
<b>Fungicide</b>	11%	13%
<b>Herbicide</b>	62%	65%
<b>Plant growth regulator</b>	2%	2%
<b>Others</b>	2%	1%



# Pharmaceuticals – ① NCI Business Model

- ◆ Steadily expanding segment in mid-term perspective
- ◆ Unique ethical pharma business model without sales force

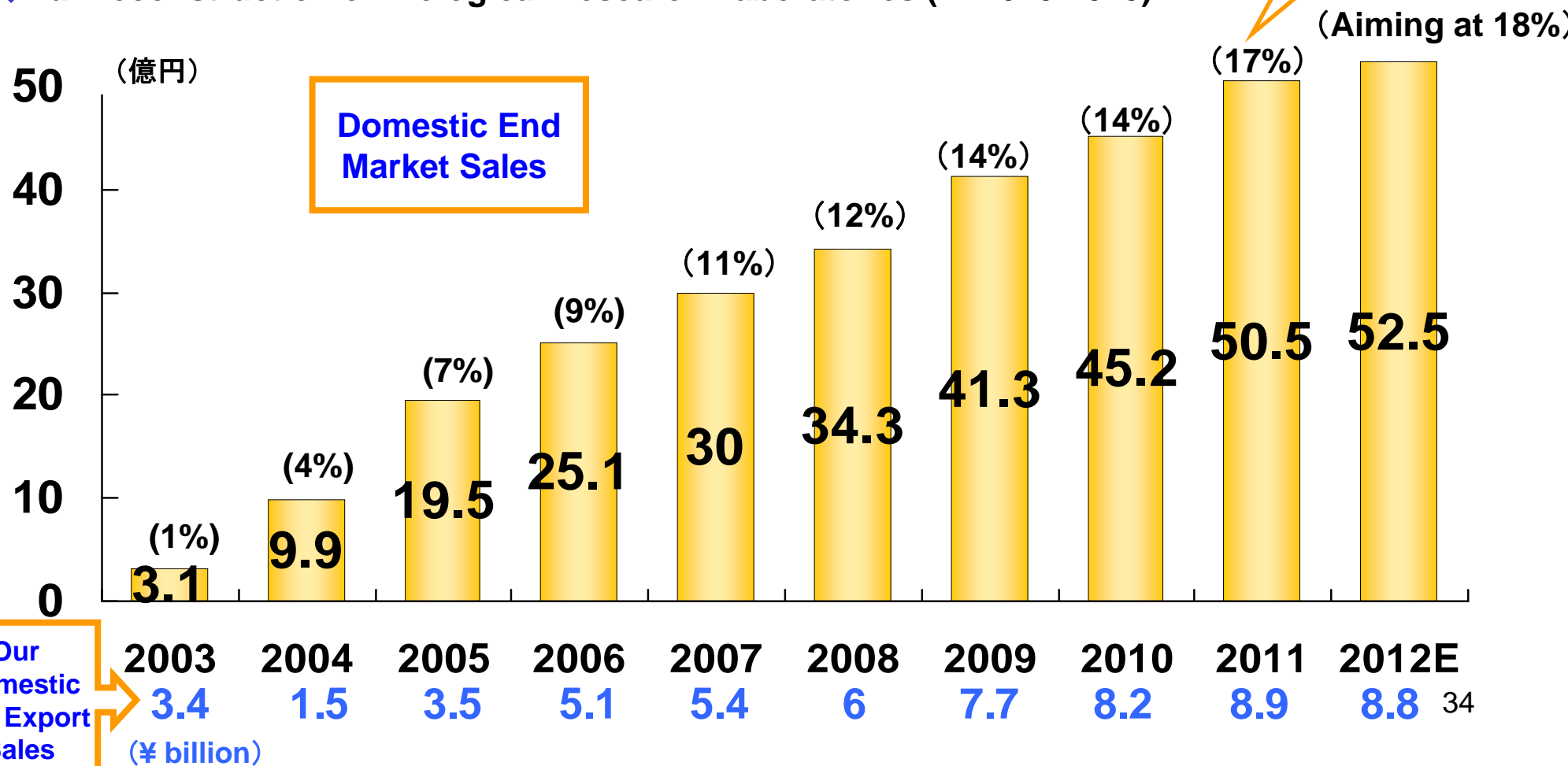
< Before Launch > → < After Launch >



# Pharmaceuticals – ② LIVALO

- ◆ Domestic market share up steadily (Actual FY2011 market share: 17%)
- ◆ Started USA sales in June 2010, co-distribution by Kowa and Eli Lilly
- ◆ Started EU sales in May 2011
- ◆ FY2012 NHI drug price cut 8%
- ◆ New plant completed in March 2011
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2015)

FY2011 Market share	
Lipitor	35%
Crestor	27%
<b>Livalo</b>	<b>17%</b>
Mevalotin	13%



## Pharmaceuticals – ③ LIVALO World Wide Strategy

Country /Region	Stage of Development	Launch (schedule)	Business partner
Japan	Launched	Sep 2003	Kowa, Daiichi-Sankyo
Korea	Launched	Jul 2005	JW Pharmaceutical
Thailand	Launched	Jan 2008	Biopharm-Chemical
China	Launched	Jul 2009	Kowa Shanghai
USA	Launched	Jun 2010	Kowa(KPA), Eli Lilly
Europe	Launched	May 2011	Kowa(KPE), Recordati
Mexico	Launched	Feb 2012	Eli Lilly
Indonesia	Launched	May 2012	Indonesia Tanabe
Taiwan	Approved	2012	Taiwan Tanabe
Australia	Approved	2012	Abbott

# Pharmaceuticals – ④ Pipeline

Product	Market		Developing Status	Licensee	Expected Market Size (¥ billion)
<b>NM/NT-702</b> (Anti-platelet agent)	Japan	Intermittent claudication	Phase II	Taisho	20-30
		Asthma			20
	EU/USA	Intermittent claudication	Phase II completed	Indigo(USA)	50-70(USA)
<b>NTC-801</b> (Anti-arrhythmic agent)	Japan		Phase II	Teijin	1 million patients(2015)
	World wide(except Japan)		Phase II	BMS	8.4 million patients(2015)
<b>NIP-022</b> (Platelet generating stimulator agent)			Phase I	Ono	0.35million patients (2015 in Japan)

# Capex/Depreciation/R&D by Segment (¥ billion)

(New Segment)	Capex(1)					Depreciation(2)					R&D expenses					% of Sales
	2008	2009	2010	2011	2012E	2008	2009	2010	2011	2012E	2008	2009	2010	2011	2012E	
Chem	-	-	1.9	1.6	1.1	-	-	3.4	2.5	2.2	-	-	0.8	0.8	0.7	1.8%
Perf. Materials	-	-	3.7	2.2	3.2	-	-	4.1	4.3	4.0	-	-	5.6	6.2	6.6	17.7%
Agro	-	-	0.4	2.1	3.0	-	-	1.9	1.8	2.0	-	-	2.6	2.8	3.0	8.7%
Pharma	-	-	2.4	1.7	0.6	-	-	0.3	1.0	1.2	-	-	2.4	2.5	2.5	27.8%
Trading	-	-	0.2	0.1	0.1	-	-	0.1	0.1	0.1	-	-	0.0	0.0	0.0	0.0%
Others	-	-	1.0	0.6	0.6	-	-	0.6	0.8	0.5	-	-	1.2	1.3	1.4	6.2%
<b>Total</b>	<b>13.9</b>	<b>10.1</b>	<b>9.6</b>	<b>8.3</b>	<b>8.6</b>	<b>10.2</b>	<b>11.0</b>	<b>10.4</b>	<b>10.5</b>	<b>10.0</b>	<b>13.7</b>	<b>13.1</b>	<b>12.6</b>	<b>13.6</b>	<b>14.2</b>	
<b>R&amp;D expenses/Sales (%)</b>											<b>8.6%</b>	<b>8.8%</b>	<b>8.2%</b>	<b>9.2%</b>	<b>9.3%</b>	

## (1) Capex

Actual - Acceptance basis

Outlook - Production commencement basis

## (2) Depreciation Method

SUNEVER, BARC- 4 year declining balance method

(50.0% of initial capex amount in the 1<sup>st</sup> year)

Other products - 8 year declining balance method

(25.0% of initial capex amount in the 1<sup>st</sup> year)

Number of R&D Personnel (Sept.2011) - ①	420 (Parent company)
Number of Professionals (Sept.2011) - ②	1,035 (Parent company)
①/②	41%

# FY2012 Main Capex Items (Approval basis)

(¥billion)

2012E	
項目	金額
High purity ammonia	0.4
SUNEVER(NCK)	0.4
BARC(NCK)	0.9
Electronic Materials Labo (Building)	2.9
Electronic Materials Labo (Instruments)	1.1
Biological Research Labo	0.9

# Financial Strategy – ① Purchase of Treasury Shares

- ◆ Started purchase of treasury shares in 2006 to enhance ROE
- ◆ Purchased ¥20.5 billion, 16.4 million shares (8.8% of shares issued) in total
- ◆ Cancelled purchased shares

## Record of purchase of treasury shares FY2006 - 11

年度	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2006- FY2011 Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	16,421
Purchase costs (¥ billion)	4.7	5.0	8.0	0	2.8	0	20.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	16,635
Shares issued at FY end (thousand shares)	184,635	181,000	174,000	174,000	171,000	171,000	
Treasury stock at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	
Dividend (¥ billion)	3.7	3.6	3.8	4.2	4.1	4.1	23.5
Dividend (¥ / Share)	20	20	22	24	24	24	
Total payout ratio (dividend + purchase of treasury shares) (%)	61	56	117	32	53	37	58

### ◆ Notification on May 15, 2012

(1) Total number of shares to be purchased : Up to 7 million shares

(2) Total amount of purchase costs of share : Up to ¥ 5 billion

(3) Purchase period : From May 16, 2012 to October 31, 2012

# Financial Strategy – ② Cash Management Policy

- Aiming to control cash balance around the level of:

Minimum required level

+

1/3 of annual scheduled long-term borrowings repayment

+

1/3 of short-term borrowings outstanding

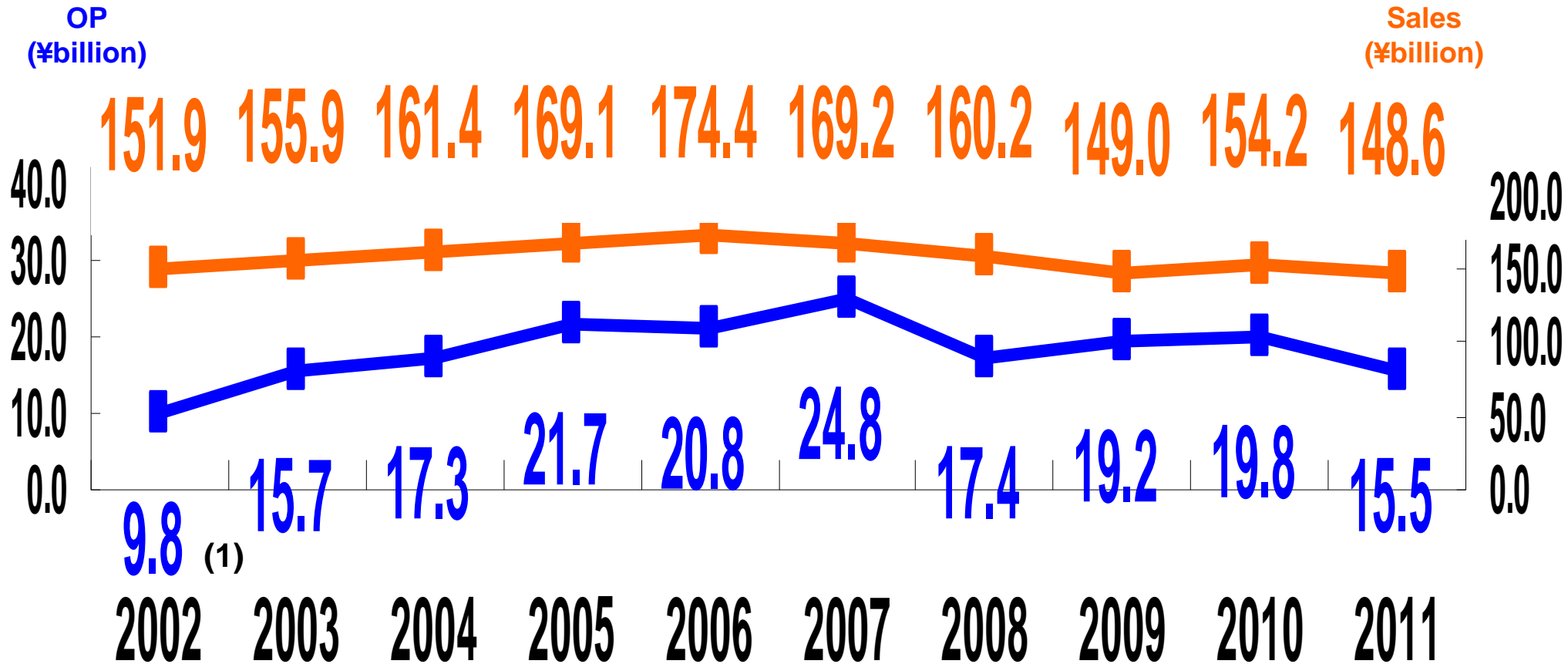
+

Contingent risk reserves (added for FY2011)

(non-consolidated basis)



# Long-term Financial Performance Trend



(1) 2002 = From April 1, 2002 to March 31, 2003

# Long Term Financial Performance Trend

(¥ billion)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales	151.9	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6
Operating Profit	9.8	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5
Ordinary Income	8.6	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9
Net Income	4.0	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0
EBITDA	20.7	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9
OP Margin	6.5%	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%
ROE(%)	6.7%	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%
EPS(¥)	21.16	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52
Dividend(¥/share)	9	11	11	15	20	20	22	24	24	24
Purchases of treasury shares	-	-	-	-	4.7	5.0	8.0	-	2.8	-
Net Assets	60.6	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6
Liabilities with interest	68.5	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9
Equity ratio	35.4%	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%
Capex	18.8	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3
Depreciation	10.9	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5
R&D Expenses	7.5	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6
R&D Expenses/Sales(%)	4.9%	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%
Number of employees (parent company)	1,514	1,505	1,502	1,502	1,558	1,614	1,657	1,710	1,750	1,730

# Sales and Operating Profit by New Segmentation

(¥ billion)

		FY2010		FY2011		FY2012E	
<b>SALES</b>	Chemicals	38.1	24.7%	36.9	24.8%	38.5	25.2%
	Performance Materials	38.0	24.6%	34.0	22.9%	37.2	24.3%
	Agrochemicals	34.4	22.3%	33.8	22.7%	34.6	22.6%
	Pharmaceuticals	9.6	6.2%	10.0	6.7%	9.0	5.9%
	Trading	44.1	28.6%	44.8	30.1%	47.2	30.8%
	Others	27.0	17.5%	20.0	13.5%	22.7	14.8%
	Adjustment	-37.0	-24.0%	-30.9	-20.8%	-36.2	-23.7%
	<b>Total</b>	<b>154.2</b>	<b>100%</b>	<b>148.6</b>	<b>100%</b>	<b>153.0</b>	<b>100%</b>

<b>OP</b>	Chemicals	2.4	12.1%	1.6	10.3%	2.3	13.4%
	Performance Materials	7.9	39.9%	4.8	31.0%	6.3	36.6%
	Agrochemicals	4.8	24.2%	4.4	28.4%	4.2	24.4%
	Pharmaceuticals	4.4	22.2%	4.6	29.7%	4.0	23.3%
	Trading	1.4	7.1%	1.3	8.4%	1.4	8.1%
	Others	1.0	5.1%	0.3	1.9%	0.4	2.3%
	Adjustment	-2.1	-10.6%	-1.5	-9.7%	-1.4	-8.1%
	<b>合計</b>	<b>19.8</b>	<b>100%</b>	<b>15.5</b>	<b>100%</b>	<b>17.2</b>	<b>100%</b>

<b>OP Margin</b>	Chemicals	6.3%	4.3%	6.0%
	Performance Materials	20.8%	14.1%	16.9%
	Agrochemicals	14.0%	13.0%	12.1%
	Pharmaceuticals	45.8%	46.0%	44.4%
	Trading	3.2%	2.9%	3.0%
	Others	3.7%	1.5%	1.8%
	<b>合計</b>	<b>12.9%</b>	<b>10.4%</b>	<b>11.2%</b>

# Pro Forma Sales and Operating Profit by Former Segmentation<sup>(1)</sup>

(¥ billion)

		FY2005		FY2006		FY2007		FY2008		FY2009		FY2010	
SALES	Chemicals	50.2	29.7%	55.2	31.6%	60.7	35.9%	55.4	34.6%	46.1	30.9%	49.6	32.2%
	Electronic Materials	23.4	13.9%	22.8	13.1%	28.1	16.6%	23.2	14.5%	26.6	17.9%	26.2	17.0%
	Agrochemicals	35.8	21.1%	33.5	19.2%	33.2	19.6%	35.4	22.1%	33.8	22.7%	34.4	22.3%
	Pharmaceuticals	5.1	3.0%	6.5	3.7%	8.1	4.8%	9.2	5.7%	9.5	6.4%	9.6	6.2%
	Trading	35.7	21.1%	40.4	23.2%	47.0	27.8%	46.3	28.9%	41.3	27.7%	44.1	28.6%
	Others (2)	53.4	31.6%	53.4	30.6%	28.0	16.5%	28.4	17.7%	27.4	18.4%	27.0	17.5%
	Adjustment	-34.4	-20.3%	-37.4	-21.4%	-35.9	-21.2%	-37.7	-23.5%	-35.7	-24.0%	-36.7	-23.8%
	Total	169.2	100%	174.4	100%	169.2	100%	160.2	100%	149.0	100%	154.2	100%
OP	Chemicals	4.6	21.3%	5.4	25.8%	6.3	25.4%	3.6	20.7%	2.6	13.5%	4.1	20.7%
	Electronic Materials	11.1	51.3%	9.4	45.0%	10.3	41.5%	4.9	28.2%	7.3	38.0%	6.2	31.3%
	Agrochemicals	3.7	17.2%	3.5	16.7%	4.1	16.5%	5.0	28.7%	4.7	24.5%	4.8	24.2%
	Pharmaceuticals	1.2	5.6%	2.1	10.0%	3.9	15.7%	4.5	25.9%	4.6	24.0%	4.4	22.2%
	Trading	0.8	3.8%	1.0	4.6%	1.0	4.0%	1.1	6.3%	1.1	5.7%	1.4	7.1%
	Others	0.9	4.1%	1.1	5.4%	0.8	3.2%	0.7	4.0%	1.0	5.2%	1.0	5.1%
	Adjustment	-0.7	-3.3%	-1.6	-7.4%	-1.6	-6.3%	-2.4	-13.8%	-2.1	-10.9%	-2.1	-10.6%
	Total	21.7	100%	20.8	100%	24.8	100%	17.4	100%	19.2	100%	19.8	100%
OP Margin	Chemicals		9.2%		9.8%		10.3%		6.5%		5.6%		8.3%
	Electronic Materials		47.4%		41.1%		36.8%		21.0%		27.4%		23.7%
	Agrochemicals		10.4%		10.4%		12.3%		14.0%		13.9%		14.0%
	Pharmaceuticals		24.0%		32.2%		48.0%		49.5%		48.4%		45.8%
	Trading		2.3%		2.4%		2.2%		2.4%		2.7%		3.2%
	Others		1.7%		2.1%		2.7%		2.5%		3.6%		3.7%
	Total		12.8%		11.9%		14.6%		10.9%		12.8%		12.9%

(1) FY2005-2008 are restated based on new segmentation

(2) Sales of Others decreased in FY2007 mainly due to spin-off of Nissan Agri (currently "Sun Agro")  
(fertilizer company, actual FY2006 sales ¥27.7 billion)

# FY2010- 11 Quarterly Sales by Segment

(New Segmentation)(1)

(¥billion)

	FY2010					FY2011				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	9.6	8.9	9.8	9.8	38.1	9.4	9.2	9.0	9.3	36.9
Fine Chemicals	3.3	2.8	2.5	2.7	11.3	3.0	2.9	2.4	2.6	10.9
Basic Chemicals	6.3	6.1	7.3	7.1	26.8	6.4	6.3	6.6	6.7	26.0
Performance Materials	10.4	9.3	9.0	9.3	38.0	8.7	8.3	8.6	8.4	34.0
Agro	6.9	5.1	4.4	18.0	34.4	7.1	5.4	3.7	17.6	33.8
Pharma	2.5	2.3	2.1	2.7	9.6	2.9	2.3	2.4	2.4	10.0
Trading	10.7	10.5	11.8	11.1	44.1	11.6	10.9	10.8	11.5	44.8
Others	6.5	4.6	4.3	11.6	27.0	4.6	4.7	4.3	6.4	20.0
Adjustment	-7.6	-7.6	-8.7	-13.1	-37.0	-7.7	-7.6	-7.3	-8.3	-30.9
<b>Total</b>	<b>39.0</b>	<b>33.1</b>	<b>32.7</b>	<b>49.4</b>	<b>154.2</b>	<b>36.6</b>	<b>33.2</b>	<b>31.5</b>	<b>47.3</b>	<b>148.6</b>

(1) FY2010 are restated based on new segmentation

# FY2010- 11 Quarterly OP by Segment

(New Segmentation)(1)

( ¥ billion )

	FY2010					FY2011				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	1.1	-0.5	0.9	0.9	2.4	1.0	-0.2	0.6	0.2	1.6
Performance Materials	2.6	2.3	1.6	1.4	7.9	1.7	0.9	1.1	1.1	4.8
Agro	0.8	0.0	-1.4	5.4	4.8	1.2	-0.4	-1.5	5.1	4.4
Pharma	1.2	0.9	1.1	1.2	4.4	1.4	1.2	1.0	1.0	4.6
Trading	0.4	0.3	0.4	0.3	1.4	0.4	0.3	0.3	0.3	1.3
Others	0.1	0.0	-0.1	1.0	1.0	0.0	0.0	-0.1	0.4	0.3
Adjustment	-0.4	-0.5	-0.3	-0.9	-2.1	-0.5	-0.4	-0.4	-0.2	-1.5
<b>Total</b>	<b>5.8</b>	<b>2.5</b>	<b>2.2</b>	<b>9.3</b>	<b>19.8</b>	<b>5.2</b>	<b>1.4</b>	<b>1.0</b>	<b>7.9</b>	<b>15.5</b>

(1) FY2010 are restated based on new segmentation

# FY2009- 10 Quarterly Sales by Segment (Former Segmentation)

(¥ billion)

	FY2009					FY2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Chem</b>	11.3	10.8	12.0	12.0	46.1	12.7	11.8	12.4	12.7	49.6
Organic/Inorganic Materials	4.5	4.5	5.0	5.2	19.2	5.4	5.0	4.8	5.1	20.3
Basic Chemicals	6.8	6.3	7.0	6.8	26.9	7.3	6.8	7.6	7.6	29.3
<b>Electronic Materials</b>	6.4	6.8	6.8	6.6	26.6	7.3	6.4	6.3	6.2	26.2
<b>Agro</b>	8.0	3.7	3.7	18.4	33.8	6.9	5.1	4.4	18.0	34.4
<b>Pharma</b>	2.2	2.8	2.9	1.6	9.5	2.5	2.3	2.1	2.7	9.6
<b>Trading</b>	10.3	9.8	10.4	10.8	41.3	10.7	10.5	11.8	11.1	44.1
<b>Others</b>	8.2	5.1	7.0	7.1	27.4	6.5	4.6	4.3	11.6	27.0
<b>Adjustment</b>	-11.1	-7.5	-9.1	-8.0	-35.7	-7.6	-7.6	-8.6	-12.9	-36.7
<b>Total</b>	35.3	31.5	33.7	48.5	149.0	39.0	33.1	32.7	49.4	154.2

# FY2009- 10 Quarterly OP by Segment

(Former Segmentation)

(¥ billion)

	FY2009					FY2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	1.2	-0.7	1.0	1.1	2.6	1.6	0.2	1.1	1.2	4.1
Electronic Materials	2.1	2.6	1.3	1.3	7.3	2.1	1.7	1.4	1.0	6.2
Agro	1.0	-0.7	-1.3	5.7	4.7	0.8	0.0	-1.3	5.3	4.8
Pharma	1.2	1.5	1.5	0.4	4.6	1.2	0.9	1.0	1.3	4.4
Trading	0.2	0.3	0.3	0.3	1.1	0.4	0.3	0.4	0.3	1.4
Others	0.5	-0.1	0.2	0.4	1.0	0.1	0.0	-0.1	1.0	1.0
Adjustment	-0.9	-0.4	-0.6	-0.2	-2.1	-0.4	-0.6	-0.3	-0.8	-2.1
<b>Total</b>	<b>5.3</b>	<b>2.5</b>	<b>2.4</b>	<b>9.0</b>	<b>19.2</b>	<b>5.8</b>	<b>2.5</b>	<b>2.2</b>	<b>9.3</b>	<b>19.8</b>



# Main Products by Segment (New Segmentation)

Segment	Products	Main Applications
Chem	<b>◆ Fine Chemicals</b> TEPIC Melamine cyanurate Environmental product Custom Chemicals	epoxy compound for LED sealants, solder resist, painting flame retardant HI-LITE (chlorinated isocyanuric acid for sterilizing) custom manufacturing and process services for pharmaceutical companies
	<b>◆ Basic Chemicals</b> Melamine AdBlue Ammonia, Sulfuric acid, Nitric acid Highpurity chemicals	adhesive agent for plywood solution of urea in demineralised water for diesel trucks to reduce NOx agents used for cleaning semiconductors
Performance Materials	<b>◆ Electronic Materials</b> SUNEVER BARC NHC Micro lens	LCD alignment coating bottom anti-reflective coating for semiconductors protective coating for touch panel microlens material for image sensor application
	<b>◆ Inorganic Materials</b> SNOWTEX  Organo silica sol Alumina sol SUNCOLLOID CELNAX	water dispersed colloidal silica sol for polishing silicon wafers, electrical steel sheets, NOx reduction catalyst, electronic printing materials film coating, antistatic interference shielding, electronic printing materials automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film
Agro	<b>◆ Herbicides</b> TARGA PERMIT SIRIUS ROUNDUP <b>◆ Insecticides</b> STARMITE, SANMITE, MITOKOHNE <b>◆ Fungicide</b> LEIMAY, IKARUGA	soybean, rapeseed, sugarbeet corn, sugarcane, rice rice non-selective herbicide for orchard, noncrop land fruits,tea, vegetables potato, grape, turf
Pharma	LIVALO	Anti-cholesterol drug
Trading	Nissei Corporation	
Others	Transportation, Landscaping, Engineering, Fertilizer	

# Main Products by Segment (Former Segmentation)

Segment	Products	Main Applications
Chem	<b>◆ Organic Materials</b> TEPIC Custom Chemicals Melamine cyanurate	epoxy compound for LED sealants, solder resist, painting custom manufacturing and process services for pharmaceutical companies flame retardant
	<b>◆ Inorganic Materials</b> SNOWTEX  Organo silica sol Alumina sol SUNCOLLOID CELNAX	water dispersed colloidal silica sol for polishing silicon wafers, electrical steel sheets, NOx reduction catalyst, electronic printing materials film coating, antistatic interference shielding, electronic printing materials automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film
	<b>◆ Basic Chemicals</b> Melamine AdBlue Environmental product Ammonia, Sulfuric acid, Nitric acid Highpurity chemicals	adhesive agent for plywood solution of urea in demineralised water for diesel trucks to reduce NOx HI-LITE (chlorinated isocyanuric acid for sterilizing)  agents used for cleaning semiconductors
Electronic Materials	SUNEVER BARC NHC Micro lens	LCD alignment coating bottom anti-reflective coating for semiconductors protective coating for touch panel microlens material for image sensor application
Agro	<b>◆ Herbicides</b> TARGA PERMIT SIRIUS ROUNDUP	soybean, rapeseed, sugarbeet corn, sugarcane, rice rice non-selective herbicide for orchard, noncrop land
	<b>◆ Insecticides</b> STARMITE, SANMITE, MITOKOHNE  <b>◆ Fungicide</b> LEIMAY, IKARUGA	fruits, tea, vegetables  potato, grape, turf
Pharma	LIVALO	Anti-cholesterol drug
Trading	Nissei Corporation	
Others	Transportation, Landscaping, Engineering, Fertilizer	

# Forward Looking Statements

**The forward looking statements in this material are based on information available at the time of preparation of the material. Although they reflect our current expectations, these statements are not guarantees of future performance, but include a number of risks and uncertainties. Actual results may largely differ from these statements due to various factors which may be beyond company control.**

**No information in this material is provided as an offer to buy or sell the shares of the company. We urge users of the material to make investment decision based upon own judgment.**