

**October 30, 2012**

# **Presentation for Investors**

**1H FY2012 (April 1 – September 30, 2012)**  
**Financial Results**

Translation of presentation materials for the investor meeting held in Tokyo on October 30, 2012

# 1H FY2012 PL

	1H FY2011	1H FY2012	Change
Sales	69.8	71.1	1.3
Operating Profit	6.6	8.6	2.0
Non-Operating Income/Expenses	-0.1	-0.2	-0.1
Ordinary Income	6.5	8.4	1.9
Extraordinary Profit/Loss	-	-	-
Net Income	4.4	5.6	1.2
EBITDA (1)	11.5	13.0	1.5
EPS (¥)	25.88	33.63	7.75
Dividend (¥/share)	¥12	¥12	¥0
Total amount of Dividend	2.1	2.0	-0.1
OP Margin (%)	9.4%	12.1%	2.7%
FX Rate (¥/\$)	80	79	
Naphtha (¥/KL) (2)	57,000	55,500	
Comprehensive Income	4.0	5.0	

(¥billion)

1H FY2012 Outlook as of May 2012	1H FY2012 Outlook as of July 2012
69.4	72.0
6.3	8.3
-0.2	-0.3
6.1	8.0
-	-
3.6	5.1
10.8	-
20.93	30.43
¥12	¥12
2.0	2.0
9.1%	11.5%
77	77
53,000	53,000

(1) EBITDA = Operating Profit + Depreciation

(2) Based on Trade Statistics of Japan Ministry of Finance (1H FY2012: Based on April-August actual)

# 1H FY2012 Review

## <vs. 1H FY2011>

(Sales) ◆ Up ¥1.3 billion (+1.9%) (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading  
(-) Chemicals

(OP) ◆ Up ¥2.0 billion (+30.6%) (+) Performance Materials, Agrochemicals,  
(±) Chemicals, Pharmaceuticals, Trading

(Non-Operating  
Income and Expenses) ◆ Down ¥0.1 billion

(Ordinary Income) ◆ Up ¥1.9 billion (+28.7%)

(Net Income) ◆ Up ¥1.2 billion (+27.8%)

## <vs. 1H FY2012 Outlook as of May 2012>

(Sales) ◆ Up ¥1.7 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading  
(-) Chemicals

(OP) ◆ Up ¥2.3 billion (+) Chemicals, Performance Materials, Agrochemicals,  
Pharmaceuticals, Trading

(Ordinary Income) ◆ Up ¥2.3 billion

(Net Income) ◆ Up ¥2.0 billion

## <vs. 1H FY2012 Outlook as of July 2012 >

(Sales) ◆ Down ¥0.9 billion

(OP) ◆ Up ¥0.3 billion

(Non-Operating  
Income and Expenses) ◆ Up ¥0.1 billion

(Ordinary Income) ◆ Up ¥0.4 billion

(Net Income) ◆ Up ¥0.5 billion

<Dividend> ◆ ¥12 Same as 1H FY2012 Outlook as of May 2012

# 1H FY2012

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

(¥billion)

	1H FY2011	1H FY2012	Change
<b>Non-Operating Income</b>	<b>0.91</b>	<b>1.13</b>	<b>0.22</b>
Interest income, dividend income	0.33	0.31	-0.02
Equity in earnings of affiliates	0.08	0.30	0.22
Others	0.50	0.52	0.02
<b>Non-Operating Expenses</b>	<b>0.96</b>	<b>1.32</b>	<b>0.36</b>
Interest expense	0.23	0.19	-0.04
Loss on disposal of fixed assets	0.12	0.16	0.04
Loss on revaluation of investments in securities	0.01	0.26	0.25
Others	0.60	0.71	0.11
<b>Extraordinary Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive Income</b>	<b>4.00</b>	<b>5.00</b>	<b>1.00</b>
Net income	4.40	5.63	1.23
Minority interests	0.04	0.04	0.00
Unrealized gains or losses on investment securities	0.05	-0.57	-0.62
Foreign currency translation adjustments	-0.49	-0.10	0.39

# 1H FY2012 Cash Flow

(¥billion)

	1H FY2011	1H FY2012
<b>CF from operating activities</b>	<b>20.4</b>	<b>21.9</b>
Profit before income tax	6.5	8.4
Depreciation & amortization	4.9	4.4
Tax	-3.1	-1.9
Working capital, others	12.1	11.0
<b>CF from investing activities</b>	<b>-6.3</b>	<b>-4.8</b>
Purchase of PPE	-4.9	-3.9
Others	-1.4	-0.9
<b>CF from financing activities</b>	<b>-9.6</b>	<b>-22.6</b>
Dividends paid	-2.0	-2.0
Borrowings	-7.5	-15.5
Purchase of treasury shares	0.0	-5.0
Others	-0.1	-0.1
Effect of FX rate changes on cash & cash equivalents	-0.4	-0.1
<b>Change in cash &amp; cash equivalents</b>	<b>4.1</b>	<b>-5.6</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>25.2</b>	<b>22.3</b>

# 1H FY2012 Balance Sheets

(¥billion)

	2011/9	2012/3	2012/9	Change
<b>Current assets</b>	<b>100.1</b>	<b>118.4</b>	<b>101.0</b>	<b>-17.4</b>
Cash	25.2	27.9	22.3	-5.6
Accounts receivable	40.2	55.5	43.4	-12.1
Inventories	29.7	29.4	30.1	0.7
Others	5.0	5.6	5.2	-0.4
<b>Fixed assets</b>	<b>72.7</b>	<b>71.7</b>	<b>72.5</b>	<b>0.8</b>
Total PPE (1)	45.8	44.7	45.8	1.1
Intangible assets	3.1	2.8	2.4	-0.4
Investment securities	21.4	22.3	21.5	-0.8
Others	2.4	1.9	2.8	0.9
<b>Total assets</b>	<b>172.8</b>	<b>190.1</b>	<b>173.5</b>	<b>-16.6</b>

(1) Increase in PPE	5.1
Depreciation	3.9
Retirement	0.1
<b>Change</b>	<b>1.1</b>

	2011/9	2012/3	2012/9	Change
<b>Liabilities</b>	<b>58.6</b>	<b>70.5</b>	<b>56.0</b>	<b>-14.5</b>
Accounts payable	12.7	17.3	14.8	-2.5
Borrowings	32.4	38.9	23.4	-15.5
Others	13.5	14.3	17.8	3.5
<b>Net assets</b>	<b>114.2</b>	<b>119.6</b>	<b>117.5</b>	<b>-2.1</b>
<b>Shareholders' equity</b>	<b>113.5</b>	<b>118.0</b>	<b>116.6</b>	<b>-1.4</b>
Unrealized gains or losses on investment securities	1.5	2.0	1.5	-0.5
Foreign currency translation adjustments	-1.7	-1.4	-1.5	-0.1
Minority interests	0.9	1.0	0.9	-0.1
<b>Total liabilities &amp; Net assets</b>	<b>172.8</b>	<b>190.1</b>	<b>173.5</b>	<b>-16.6</b>

(Equity Ratio) 65.6% 62.4% 67.2%

Change in shareholders' equity -1.4

= Net Income 5.6 - Dividend 2.0 - Purchase of Treasury Share 5.0

# FY2012 Outlook

(¥billion)

	FY2011			FY2012E			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Sales	69.8	78.8	148.6	71.1	83.9	155.0	1.3	5.1	6.4
Operating Profit	6.6	8.9	15.5	8.6	10.0	18.6	2.0	1.1	3.1
Non-Operating Income/Expenses	-0.1	0.5	0.4	-0.2	0.2	0.0	-0.1	-0.3	-0.4
Ordinary Income	6.5	9.4	15.9	8.4	10.2	18.6	1.9	0.8	2.7
Extraordinary Profit/Loss (1)	-	0.7	0.7	-	-	-	-	-0.7	-0.7
Net Income	4.4	6.6	11.0	5.6	7.0	12.6	1.2	0.4	1.6
EBITDA (2)	11.5	14.4	25.9	13.0	15.1	28.1	1.5	0.7	2.2
EPS (¥)	25.88	38.64	64.52	33.63	43.32	76.95	7.75	4.68	12.43
Dividend (¥/share)	¥12	¥12	¥24	¥12	¥12	¥24	0.0	0.0	0.0
Total amount of Dividend	2.1	2.0	4.1	2.0	2.0	4.0	-0.1	0.0	-0.1
OP Margin (%)	9.4%	11.3%	10.4%	12.1%	11.9%	12.0%	2.7%	0.6%	1.6%
FX Rate (¥/\$)	80	82		79	79				
Naphtha (¥/kl)	57,000	52,800		55,500	49,000				

FY2012 Outlook as of May 2012			FY2012 Outlook as of July 2012		
1HE	2HE	Total	1HE	2HE	Total
69.4	83.6	153.0	72.0	81.0	153.0
6.3	10.9	17.2	8.3	8.9	17.2
-0.2	0.4	0.2	-0.3	0.5	0.2
6.1	11.3	17.4	8.0	9.4	17.4
-	-	-	-	-	-
3.6	7.8	11.4	5.1	6.3	11.4
10.8	16.4	27.2	-	-	27.2
20.93	46.26	67.19	30.43	37.59	68.02
¥12	¥12	¥24	¥12	¥12	¥24
2.0	1.9	3.9	2.0	1.9	3.9
9.1%	13.0%	11.2%	11.5%	11.0%	11.2%
77	77		-	-	
53,000	53,000		-	-	

(1) 2H FY2011: Gain on transfer of business +0.7

(2) EBITDA = Operating Profit + Depreciation

# 2H FY2012 Outlook

## <vs. 2H FY2011>

(Sales)	◆Up ¥5.1 billion(+6.5%)	(+) Chemicals , Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
(OP)	◆Up ¥1.1 billion(+12.4%)	(+) Chemicals, Performance Materials, Trading (-) Agrochemicals, Pharmaceuticals
(Non-Operating Income and Expenses)	◆Down ¥0.3 billion	
(Ordinary Income)	◆Up ¥0.8 billion(+8.5%)	
(Extraordinary Profit and Loss)	◆Down ¥0.7 billion	
(Net Income)	◆Up ¥0.4 billion(+6.1%)	

## <vs. 2H FY2012 Outlook as of May 2012>

(Sales)	◆Up ¥0.3 billion	(+) Pharmaceuticals, Trading (-) Chemicals, Performance Materials	(±) Agrochemicals
(OP)	◆Down ¥0.9 billion	(+) Pharmaceuticals, Trading (-) Performance Materials	(±) Chemicals, Agrochemicals
(Non-Operating Income and Expenses)	◆Down ¥0.2 billion		
(Ordinary Income)	◆Down ¥1.1 billion		
(Net Income)	◆Down ¥0.9 billion		

## <vs. 2H FY2012 Outlook as of July 2012>

(Sales)	◆Up ¥2.9 billion
(OP)	◆Up ¥1.1 billion
(Non-Operating Income and Expenses)	◆Down ¥0.3 billion
(Ordinary Income)	◆Up ¥0.8 billion
(Net Income)	◆Up ¥0.7 billion

## <Dividend >

◆¥12 Same as 2H FY2012 Outlook as of May 2012

# Full Year FY2012 Outlook

## <vs. FY2011>

(Sales) ◆Up ¥6.4 billion(+4.3%) (+) Chemicals , Performance Materials, Agrochemicals, Trading  
(-) Pharmaceuticals

(OP) ◆Up ¥3.1 billion(+20.0%) (+) Chemicals, Performance Materials, Agrochemicals, Trading  
(-) Pharmaceuticals

(Non-Operating  
Income and Expenses) ◆Down ¥0.4 billion

(Ordinary Income) ◆Up ¥2.7 billion(+17.0%)

(Extraordinary  
Profit and Loss) ◆Down ¥0.7 billion

(Net Income) ◆Up ¥1.6 billion(+14.5%)

## <vs. FY2012 Outlook as of May 2012>

(Sales) ◆Up ¥2.0 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading  
(-) Chemicals

(OP) ◆Up ¥1.4 billion (+) Chemicals, Performance Materials, Agrochemicals,  
Pharmaceuticals, Trading

(Non-Operating  
Income and Expenses) ◆Down ¥0.2 billion

(Ordinary Income) ◆Up ¥1.2 billion

(Net Income) ◆Up ¥1.2 billion

## <Dividend >

◆¥12 Same as FY2012 Outlook as of May 2012

# FY2012 Cash Flow Outlook

(¥billion)

	FY2011	FY2012E	FY2012 Outlook as of May 2012
<b>CF from operating activities</b>	<b>21.3</b>	<b>22.7</b>	<b>22.4</b>
Profit before income tax	16.5	18.6	17.4
Depreciation & Amortization	10.5	9.5	10.0
Tax	-6.0	-4.5	-4.8
Working capital, others	0.3	-0.9	-0.2
<b>CF from investing activities</b>	<b>-9.3</b>	<b>-11.0</b>	<b>-11.0</b>
Purchase of PPE	-8.7	-10.4	-11.0
Others	-0.6	-0.6	0.0
<b>CF from financing activities</b>	<b>-5.1</b>	<b>-10.1</b>	<b>-10.0</b>
Dividends paid	-4.1	-4.0	-4.0
Borrowings	-1.0	-1.0	-1.0
Purchase of treasury shares	0.0	-5.0	-5.0
Others	0.0	-0.1	0.0
Effect of FX rate changes on cash & cash equivalents	-0.1	-0.1	0.0
<b>Change in cash &amp; cash equivalents</b>	<b>6.8</b>	<b>1.5</b>	<b>1.4</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>27.9</b>	<b>29.4</b>	<b>29.3</b>

# New Segmentation from 2Q 2011 (No Change in 1H FY2012)

◆ 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

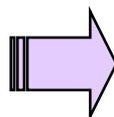
Change in Chemicals

→ 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 silica 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 silica 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	1H FY2012 Sales
Fine Chemicals	5.6 (7.9%)
Basic Chemicals	12.3 (17.3%)
Performance Materials	18.8 (26.4%)
Agro	13.4 (18.8%)
Pharma	5.3 (7.4%)
Trading	22.7 (31.9%)
Others	10.2 (14.3%)

**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)**

# FY2012 Sales Outlook by Segment

(¥billion)

	FY2011			FY2012 E			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
<b>Chem</b>	18.6	18.3	36.9	17.9	19.6	37.5	-0.7	1.3	0.6
<b>Fine Chemicals</b>	5.9	5.0	10.9	5.6	6.2	11.8	-0.3	1.2	0.9
<b>Basic Chemicals</b>	12.7	13.3	26.0	12.3	13.4	25.7	-0.4	0.1	-0.3
<b>Performance Materials</b>	17.0	17.0	34.0	18.8	18.9	37.7	1.8	1.9	3.7
<b>Agro</b>	12.5	21.3	33.8	13.4	21.7	35.1	0.9	0.4	1.3
<b>Pharma</b>	5.2	4.8	10.0	5.3	4.3	9.6	0.1	-0.5	-0.4
<b>Trading</b>	22.5	22.3	44.8	22.7	25.3	48.0	0.2	3.0	3.2
<b>Others</b>	9.3	10.7	20.0	10.2	11.5	21.7	0.9	0.8	1.7
<b>Adjustment</b>	-15.3	-15.6	-30.9	-17.2	-17.4	-34.6	-1.9	-1.8	-3.7
<b>Total</b>	69.8	78.8	148.6	71.1	83.9	155.0	1.3	5.1	6.4

FY2012 Outlook as of May 2012		
1HE	2HE	Total
18.4	20.1	38.5
5.7	6.1	11.8
12.7	14.0	26.7
17.5	19.7	37.2
13.0	21.6	34.6
4.9	4.1	9.0
22.3	24.9	47.2
9.2	13.5	22.7
-15.9	-20.3	-36.2
69.4	83.6	153.0

# FY2012 OP Outlook by Segment

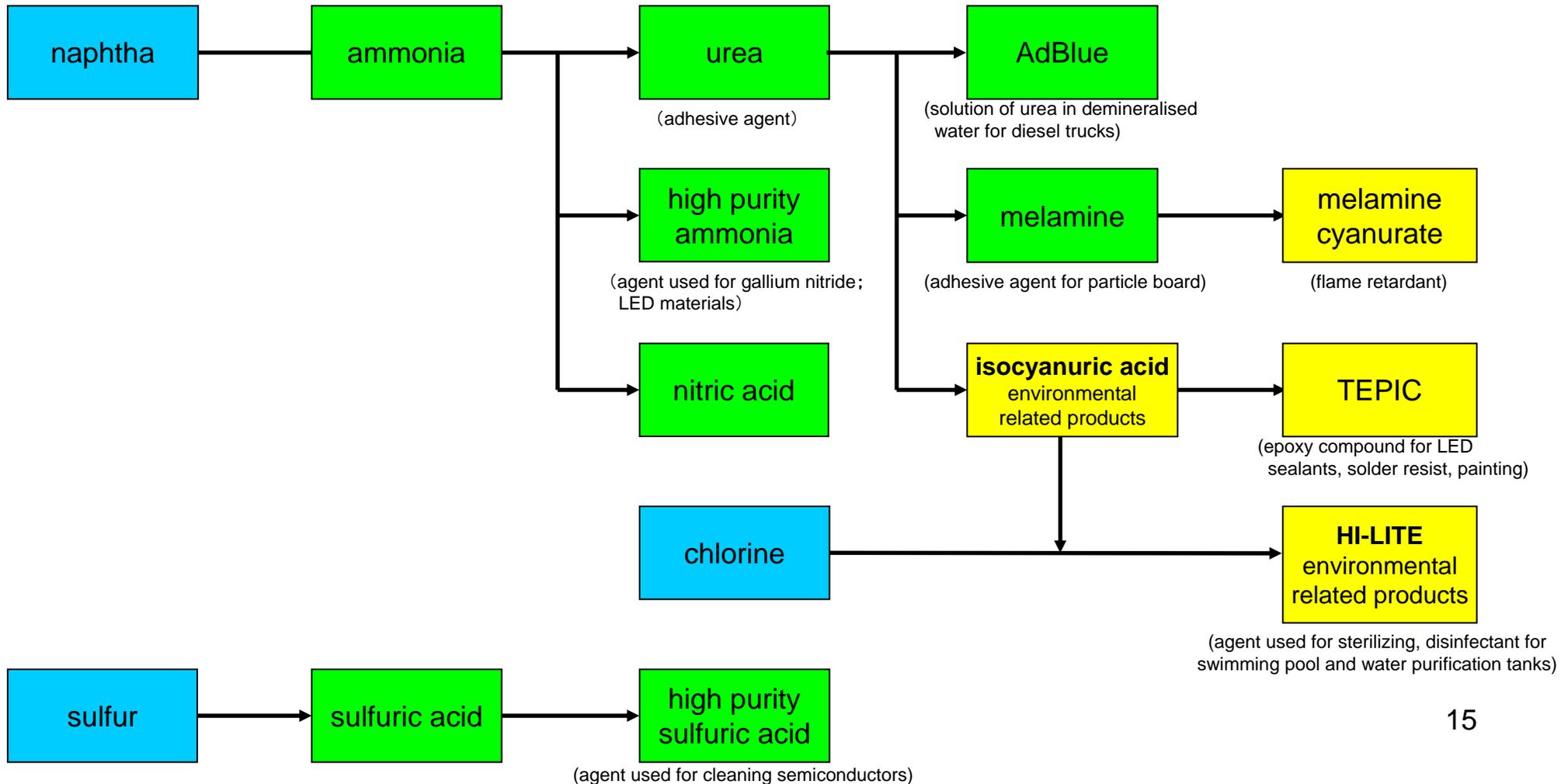
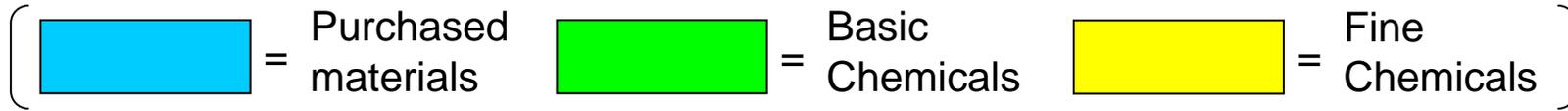
(¥billion)

	FY2011			FY2012 E			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Chem	0.8	0.8	1.6	0.8	1.7	2.5	0.0	0.9	0.9
Performance Materials	2.6	2.2	4.8	4.1	2.6	6.7	1.5	0.4	1.9
Agro	0.8	3.6	4.4	1.3	3.5	4.8	0.5	-0.1	0.4
Pharma	2.6	2.0	4.6	2.6	1.7	4.3	0.0	-0.3	-0.3
Trading	0.7	0.6	1.3	0.7	0.8	1.5	0.0	0.2	0.2
Others	0.0	0.3	0.3	0.1	0.4	0.5	0.1	0.1	0.2
Adjustment	-0.9	-0.6	-1.5	-1.0	-0.7	-1.7	-0.1	-0.1	-0.2
<b>Total</b>	<b>6.6</b>	<b>8.9</b>	<b>15.5</b>	<b>8.6</b>	<b>10.0</b>	<b>18.6</b>	<b>2.0</b>	<b>1.1</b>	<b>3.1</b>

FY2012 Outlook as of May 2012		
1HE	2HE	Total
0.6	1.7	2.3
2.7	3.6	6.3
0.8	3.4	4.2
2.3	1.7	4.0
0.6	0.8	1.4
0.1	0.3	0.4
-0.8	-0.6	-1.4
<b>6.3</b>	<b>10.9</b>	<b>17.2</b>

# Chemicals – ① Flow Chart of Selected Basic and Fine Chemicals Products

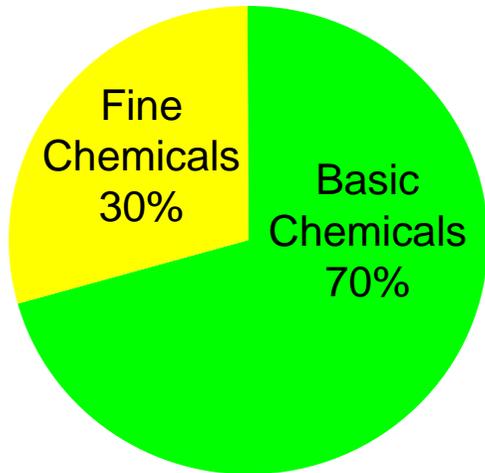
- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2011 ammonia domestic market share 8%, large percentage of self-consumption of ammonia



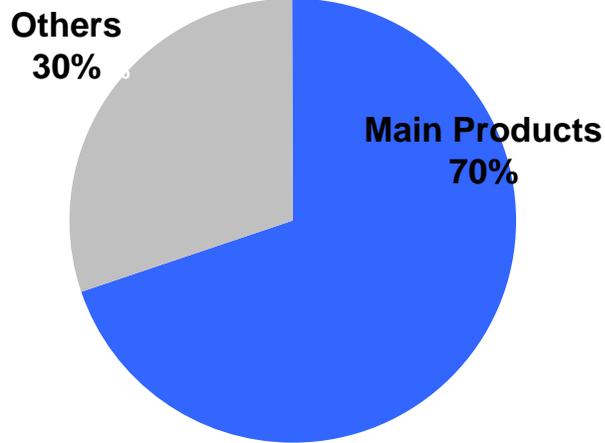
# Chemicals – ② FY2011 Sales Distribution

## < Total Segment >

Sales: ¥36.9 billion

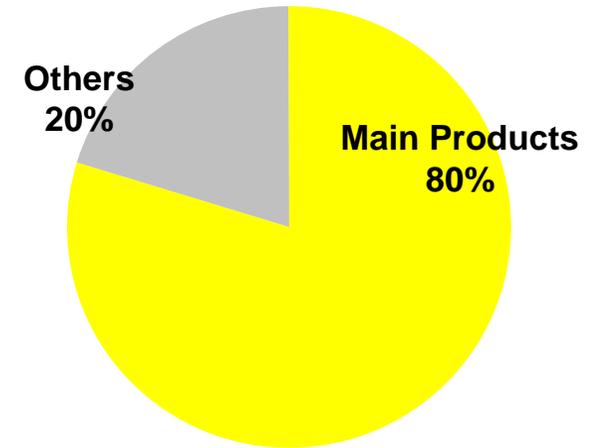


## < Total Segment >



## < Fine Chemicals >

Sales: ¥10.9 billion



### ◆ Main Products (in order of sales amount)

#### < Total Segment >

Melamine  
 Environmental related products  
 TEPIC  
 Ammonia  
 High purity sulfuric acid  
 Sulfuric acid  
 Nitric acid  
 Custom Chemicals  
 Urea including AdBlue  
 Purity sulfuric acid

#### < Fine Chemicals >

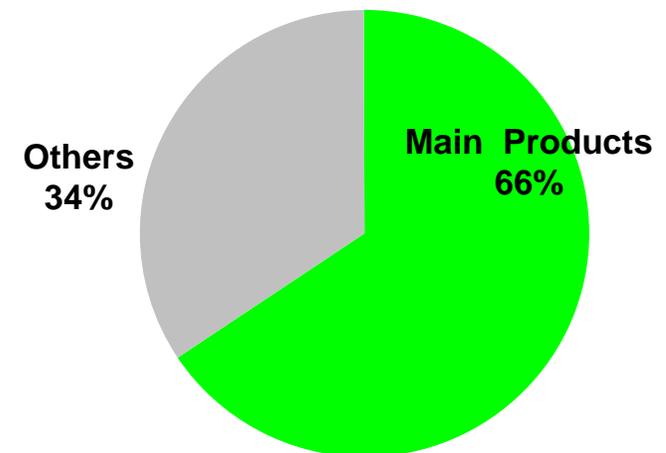
Environmental related products  
 TEPIC  
 Custom Chemicals

#### < Basic Chemicals >

Melamine  
 Ammonia  
 High purity sulfuric acid  
 Sulfuric acid  
 Nitric acid  
 Urea including AdBlue  
 Purity sulfuric acid

## < Basic Chemicals >

Sales: ¥26.0 billion



# Chemicals – ③ Fine Chemicals Subsegment

Product	Characteristics and Trend	Sales YOY Change					
		FY2012 Outlook as of October 2012			FY2012 Outlook as of May 2012		
		1H Actual	2H E	Total	1H E	2H E	Total
<b>Total Subsegment</b>		-5%	+24%	+8%	-4%	+21%	+8%
<b>TEPIC</b>	<p>◆ Epoxy compound for :</p> <p>(A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint (automobiles, electric appliances)</p> <p>◆ World largest producer (1H FY2012) Sales for general applications down due to strong yen, sales for electronic materials slightly up, v.s. 1H FY2011 (2H FY2012 E) Sales for both general applications and electronic materials up v.s. 2H FY2011</p>	-5%	+16%	+5%	-2%	+18%	+8%
<b>Environmental related products</b>	<p>◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank (1H FY2012) Weak domestic demand and decrease in export due to strong yen v.s. 1H FY2011 (2H FY2012 E) Recovery in demand expected v.s. 2H FY2011</p>	-16%	+16%	-3%	-5%	+22%	+6%
<b>Custom Chemicals</b>	<p>◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediaries from pre-clinical to commercial production stages</p> <p>◆ New plant completed in July 2010 (capex ¥ 2.0 billion)</p> <p>◆ Increase in work on awarded contracts expected in 1H and 2H FY2012 v.s. FY2011</p>	+3%	+48%	+23%	-12%	+40%	+11%

Three products account for 80% of total consolidated subsegment sales (FY2011)

# Chemicals – ④ Basic Chemicals Subsegment

Product	Characteristics and Trend	Sales YOY Change					
		FY2012 Outlook as of October 2012			FY2012 Outlook as of May 2012		
		1H Actual	2H E	Total	1H E	2H E	Total
<b>Total Subsegment</b>		-3%	+1%	-1%	+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 (1H FY2012)</li> <li>◆ Domestic sales slightly up, export declined due to strong yen and weak Asian market, v.s. 1H 2011</li> <li>(2H FY2012 E)</li> <li>◆ Both domestic and export sales expected to decline v.s. 2H FY2011</li> </ul>	-25%	-14%	-20%	+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>◆ Sales increase continuing in 1H and 2H FY2012 v.s. FY2011</li> </ul>	+35%	+26%	+30%	+36%	+26%	+31%
<b>High purity sulfuric acid</b>	<ul style="list-style-type: none"> <li>◆ Used to clean semiconductors</li> <li>◆ Largest in domestic market</li> <li>◆ Capacity expansion (+15% ) completed in May 2011 to accommodate increase in demand</li> <li>◆ Sales increase continuing in 1H and 2H FY2012 v.s. FY2011</li> </ul>	+10%	+13%	+12%	-1%	+13%	+6%

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

# Chemicals – ⑤ Profit Overview

(¥billion)

	FY2011			FY2012 E			Change			FY2012 Outlook as of May 2012		
	1H	2H	Total	1H	2H E	Total	1H	2H E	Total	1H E	2H E	Total
<b>Sales</b>	18.6	18.3	36.9	17.9	19.6	37.5	-0.7	1.3	0.6	18.4	20.1	38.5
<b>Fine Chemicals</b>	5.9	5.0	10.9	5.6	6.2	11.8	-0.3	1.2	0.9	5.7	6.1	11.8
<b>Basic Chemicals</b>	12.7	13.3	26.0	12.3	13.4	25.7	-0.4	0.1	-0.3	12.7	14.0	26.7
<b>OP</b>	0.8	0.8	1.6	0.8	1.7	2.5	0.0	0.9	0.9	0.6	1.7	2.3

## 1H FY2012 Review

<vs. 1H FY2011>

### (Fine Chemicals)

- ◆ Custom Chemicals sales up, TEPIC (general applications) and environmental related products sales down
- ◆ Fixed cost down
- ◆ Sales down, OP flat

### (Basic Chemicals)

- ◆ Sales of urea, AdBlue, high purity sulfuric acid up, melamine export down
- ◆ Fixed cost down
- ◆ Sales down, OP flat

### (Total Segment)

- ◆ Sales down ¥0.7billion, OP flat

<vs. 1H FY2012 Outlook as of May 2012 >

### (Fine Chemicals)

- ◆ Sales of TEPIC and environmental related products below expectations, sales of Custom Chemicals and other products above expectations
- ◆ Sales down, OP up

### (Basic Chemicals)

- ◆ Melamine export below expectations, high purity sulfuric acid sales above expectations
- ◆ Sales down, OP flat

### (Total Segment)

- ◆ Sales down ¥0.5billion, OP up ¥0.2billion

## 2H FY2012 Outlook

<vs. 2H FY2011>

### (Fine Chemicals)

- ◆ Sales of major products up
- ◆ Sales up, OP up

### (Basic Chemicals)

- ◆ Sales of urea, AdBlue, high purity sulfuric acid up, melamine down
- ◆ Fixed cost down
- ◆ Sales up, OP up

### (Total Segment)

- ◆ Sales up ¥1.3billion, OP up ¥0.9billion

<vs. 2H FY2012 Outlook as of May 2012>

### (Fine Chemicals)

- ◆ Sales of TEPIC and environmental related products below expectations, sales of Custom Chemicals and other products above expectations
- ◆ Sales up, OP in line with expectations

### (Basic Chemicals)

- ◆ Melamine export below expectations, sales of urea, AdBlue, high purity sulfuric acid in line with expectations
- ◆ Sales down, OP in line with expectations

### (Total Segment)

- ◆ Sales down ¥0.5billion, OP in line with expectations

# Performance Materials – ① Display Materials

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ Total Display Materials sales up 31%, SUNEVER sales up 34%
- ◆ Substantial sales increase in IPS/FFS as well as VA, TN sales down
- ◆ 3D TV materials sales down due to customers' production cut

<vs. 1H FY2012 Outlook  
as of May 2012>

- ◆ All SUNEVER products sales above expectations
- ◆ 3D TV materials sales below expectations

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ Total Display Materials sales up 10%, SUNEVER sales up 14%
- ◆ Substantial sale increase in IPS/FFS as well as VA, TN sales down
- ◆ 3D TV materials sales down due to customers' production cut

<vs. 2H FY2012 Outlook  
as of May 2012>

- ◆ TN and IPS/FFS sales below expectations due to market conditions, VA almost flat
- ◆ 3D TV materials sales below expectations due to market conditions

	Major Use	Sales YOY Change					
		FY2012 Outlook as of October 2012			FY2012 Outlook as of May 2012		
		1H Actual	2H E	Total	1H E	2H E	Total
<b>Total SUNEVER</b>		+34%	+14%	+24%	+10%	+18%	+14%
<b>TN</b> (twisted nematic)	PC, monitor	-6%	-11%	-8%	-16%	-4%	-10%
<b>IPS/FFS</b> (in plane switching / fringe field switching)	TV, Tablet PC, smartphone	+74%	+32%	+51%	+36%	+34%	+35%
<b>VA</b> (vertical alignment)							
<b>Other Display Materials (1)</b>		-23%	-37%	-31%	+78%	+98%	+89%
<b>Total Display Materials</b>		+31%	+10%	+20%	+14%	+23%	+19%

(1) NHC(protective coating for touch panels), 3D TV materials, etc

# Performance Materials – ② Semiconductors Materials

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ Total Semiconductors Materials sales up 9%, BARC sales almost flat
- ◆ Other semiconductors materials (including multi layer process materials) sales up 139%

<vs. 1H FY2012 Outlook as of May 2012>

- ◆ Sales of KrF, ArF and other semiconductors materials (including multi layer process materials) above expectations

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ Total Semiconductors Materials sales up 9%, BARC sales down 2%
- ◆ KrF sales down, ArF almost flat
- ◆ Other semiconductors materials (including multi layer process materials) sales up 155%

<vs. 2H FY2012 Outlook as of May 2012>

- ◆ Total Semiconductors Materials sales above expectations
- ◆ BARC sales in line with expectations
- ◆ Other semiconductors materials (including multi layer process materials) sales above expectations

	Sales YOY Change					
	FY2012 Outlook as of October 2012			FY2012 Outlook as of May 2012		
	1H Actual	2H E	Total	1H E	2H E	Total
<b>BARC</b>	+1%	-2%	-1%	-5%	-2%	-4%
KrF	-2%	-4%	-3%	-12%	-5%	-9%
ArF (1)	+3%	-1%	+1%	-2%	+0%	-1%
<b>Other Semiconductors Materials (2)</b>	+139%	+155%	+148%	+48%	+89%	+70%
<b>Total Semiconductors Materials</b>	+9%	+9%	+9%	-2%	+5%	+1%

(1) Including Non-BARC application (2) Multi layer process materials, microlens, etc

- ◆ FY2012 capex program of NCK (Korean subsidiary) ( approval basis)

<Display Materials>

Expansion of SUNEVER production facilities, warehouses, R&D center

<Semiconductors Materials>

Expansion of BARC and multi layer process materials production facilities, warehouses

# Performance Materials – ③ Inorganic Materials

## ◆ Inorganic Materials (SNOWTEX, Organo sol)

Product	Characteristics and Trend	Sales YOY Change (1)					
		FY2012 Outlook as of October 2012			FY2012 Outlook as of May 2012		
		1H Actual	2H E	Total	1H E	2H E	Total
<b>SNOWTEX</b>	<ul style="list-style-type: none"> <li>◆ Silica sol mainly for : (A) polishing materials (silicon wafer, aluminum and glass hard disk), (B) non-polishing materials ( NOx reduction catalyst, automobile catalyst, chrome-free electrical steel sheet)</li> <li>◆ Largest domestic producer</li> <li>◆ New second plant in Toyama completed in March 2011(capacity +20% )</li> </ul> (1H FY2012) Sales down due to sluggish demand for both polishing and non-polishing materials (2H FY2012 E) Recovery of demand for both applications expected compared to 2H FY2011	-8%	+31%	+9%	-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> </ul> (1H FY2012) Sales down due to sluggish demand (2H FY2012 E) Recovery in demand expected v.s. 2H FY2011, but below expectaions as of May	-12%	+10%	-2%	+1%	+28%	+13%

(1) Non-consolidated basis

# Performance Materials – ④ Profit Overview

(¥billion)

	FY2011			FY2012 E			Change			FY2012 E as of May 2012		
	1H	2H	Total	1H	2H E	Total	1H	2H E	Total	1H E	2H E	Total
Sales	17.0	17.0	34.0	18.8	18.9	37.7	1.8	1.9	3.7	17.5	19.7	37.2
OP	2.6	2.2	4.8	4.1	2.6	6.7	1.5	0.4	1.9	2.7	3.6	6.3

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ SUNEVER sales up (VA,IPS/FFS)
- ◆ Total semiconductors materials sales up (BARC flat, other materials up substantially)
- ◆ Sales of SNOWTEX and organo sol down
- ◆ Fixed cost down
- ◆ Sales up ¥1.8billion, OP up ¥1.5billion

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ Sales increase in IPS/FFS as well as VA, sales decrease in TN and 3D TV materials
- ◆ Total semiconductors materials sales up (BARC down, other semiconductors materials up)
- ◆ Sales of SNOWTEX and organo sol up
- ◆ Fixed cost up
- ◆ Sales up ¥1.9billion, OP up ¥0.4billion

## <vs. 1H FY2012 Outlook as of May 2012>

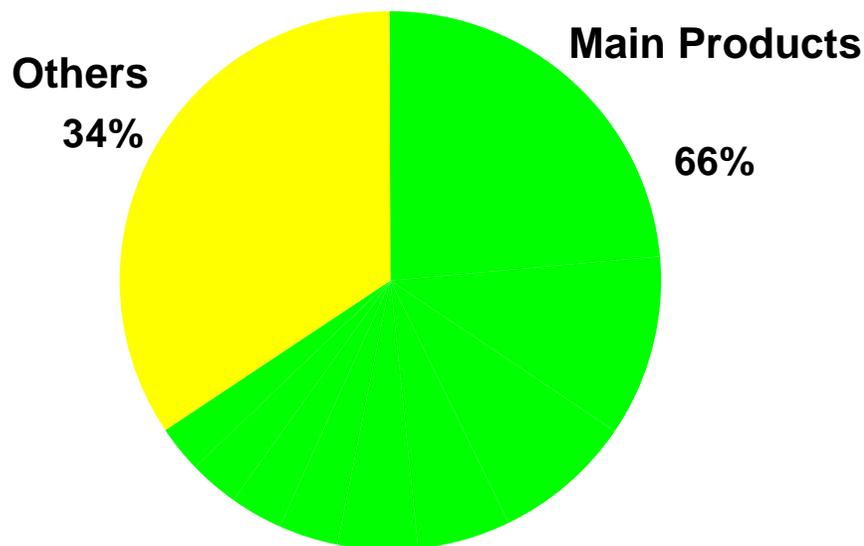
- ◆ All SUNEVER products sales above expectations, 3D TV materials below expectations
- ◆ Sales of BARC and other semiconductors materials above expectations
- ◆ SNOWTEX above expectations, organo sol below expectations
- ◆ Fixed cost smaller than expectations
- ◆ Sales up ¥1.3billion, OP up ¥1.4billion

## <vs. 2H FY2012 Outlook as of May 2012>

- ◆ TN, IPS/FFS, 3D TV materials sales below expectations due to market conditions
- ◆ Total semiconductors materials sales above expectations (BARC in line with expectations, other semiconductors materials above expectations)
- ◆ Recovery in demand for organo sol below expectations, SNOWTEX sales above expectations
- ◆ Fixed cost up
- ◆ Sales down ¥0.8billion, OP down ¥1.0billion

# Agrochemicals – ① Sales Distribution (before discount)

FY2011 Non-consolidated  
Sales Distribution  
(before discount)  
< Agrochemicals >



◆ Main Products:

ROUNDUP (herbicide), SIRIUS (herbicide), PERMIT (herbicide), TARGA (herbicide), PULSOR (THIFLUZAMIDE, fungicide), STARMITE (miticide), LEIMAY (fungicide), BUTACHLOR (herbicide), SANMITE (insecticide)

	Non-consolidated Sales YOY Change (before discount)	
	FY2011 /FY2010	FY2012E /FY2011
ROUNDUP	↗	↗
SIRIUS	↘	↘
PERMIT	↗	↗
TARGA	→	→
PULSOR (THIFLUZAMIDE)	↗	↗
STARMITE	↗	↗
LEIMAY	↗	↗
BUTACHLOR	→	↘
SANMITE	→	→
ALTAR (NC-620)	↗	↗

# Agrochemicals – ②

- ◆ Stable profit center

- ◆ Strengthening product portfolio by: in-house developed products, acquired products, licensed-in products

(launch)	(products)
(FY2008)	LEIMAY (fungicide, in-house) STARMITE (miticide, in-house)
(FY2009)	PULSOR (THIFLUZAMIDE) (fungicide, acquired from Dow) PREVATHON (insecticide, licensed from DuPont)
(FY2010)	AVH (herbicide, licensed from ZEN-NOH, Bayer and Hokko)
(FY2011)	ALTAIR(NC-620) (paddy rice herbicide, launched in Korea, in-house)
(FY2012)	ALTAIR(NC-620) (paddy rice herbicide, launched in Japan, in-house)
(FY2014)	Animal health product (for pets to exterminate tick and flea, licensing product)
(FY2014-16)	Fruits/vegetables/paddy rice insecticide (licensed-in product), Fruits/vegetables/tea insecticide (licensed-in product), Fruits/vegetables fungicide (licensed-in product),
(FY2019-)	<b>Insecticide (in-house) (New addition)</b>

- ◆ 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

- ◆ Export sales account for about 20% of FY2011 non-consolidated segment sales (including sales through Trading segment)

Asia:49%, Europe,Africa:24%, North/Central/South America:27%

# Agrochemicals – ③ Non-consolidated Segment Sales (before discount)

	Non-consolidated Sales YOY Change (before discount)			
	FY2012 Outlook as of October 2012			FY2012 E as of May 2012
	1H Actual	2H E	FY2012 E	
<b>ROUNDUP</b>	<b>+12%</b>	<b>+3%</b>	<b>+6%</b>	<b>+0%</b>
<b>Except ROUNDUP</b>	<b>+4%</b>	<b>+1%</b>	<b>+2%</b>	<b>+4%</b>
<b>Total Segment</b>	<b>+6%</b>	<b>+2%</b>	<b>+3%</b>	<b>+3%</b>

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

# Agrochemicals – ④ Profit Overview

(¥billion)

	2011			2012 E			Change			2012 E as of May 2012		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total	1HE	2HE	Total
Sales	12.5	21.3	33.8	13.4	21.7	35.1	0.9	0.4	1.3	13.0	21.6	34.6
OP	0.8	3.6	4.4	1.3	3.5	4.8	0.5	-0.1	0.4	0.8	3.4	4.2

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ Sales of STARMITE, LEIMAY, ROUNDUP, PULSOR up
- ◆ Fixed cost up
- ◆ Sales up ¥0.9billion, OP up ¥0.5billion

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ ALTAIR to be launched in Japan in December 2012
- ◆ Sales of STARMITE, LEIMAY, ROUNDUP up, SIRIUS down
- ◆ Milestones on the animal health product expected
- ◆ Fixed cost up (depreciation expenses of ALTAIR facilities and new Biological Research Lab up )
- ◆ Sales up ¥0.4billion, OP down ¥0.1billion

<vs. 1H FY2012 Outlook as of May 2012>

- ◆ Sales of ROUNDUP and Export (PULSOR, etc) above expectations
- ◆ Fixed cost below expectations
- ◆ Sales up ¥0.4billion, OP up ¥0.5billion

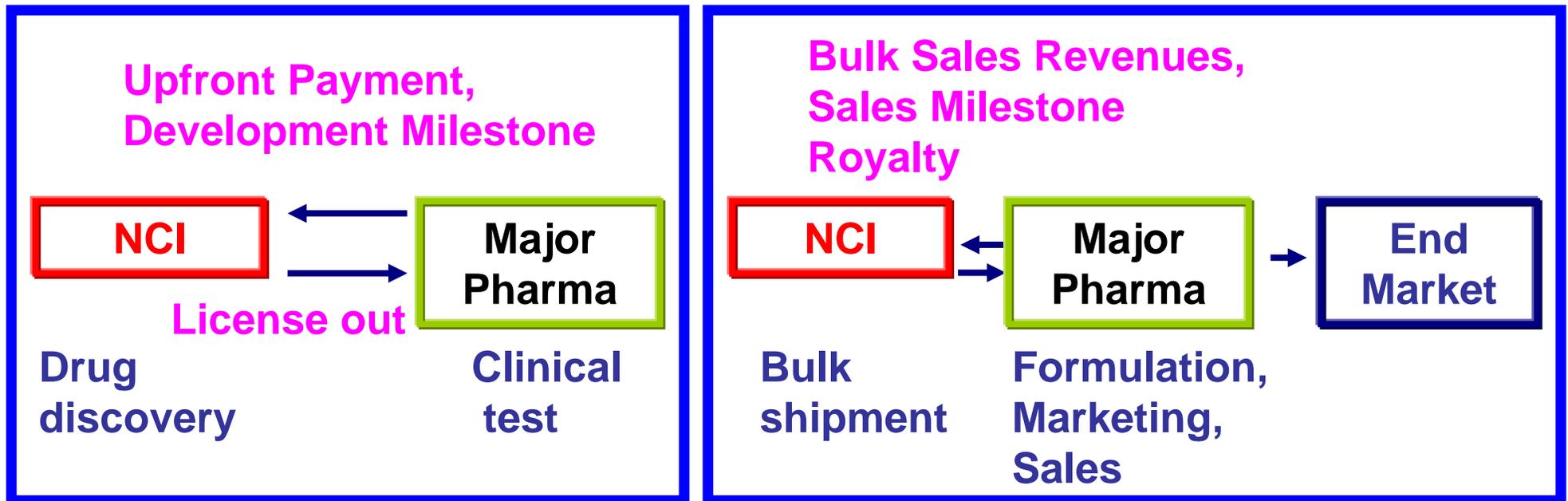
<vs. 2H FY2012 Outlook as of May 2012>

- ◆ Sales of ROUNDUP up, SIRIUS down, vs. expectations
- ◆ Fixed cost below expectations
- ◆ Sales up ¥0.1billion, OP up ¥0.1billion

# Pharmaceuticals – ① NCI Business Model

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

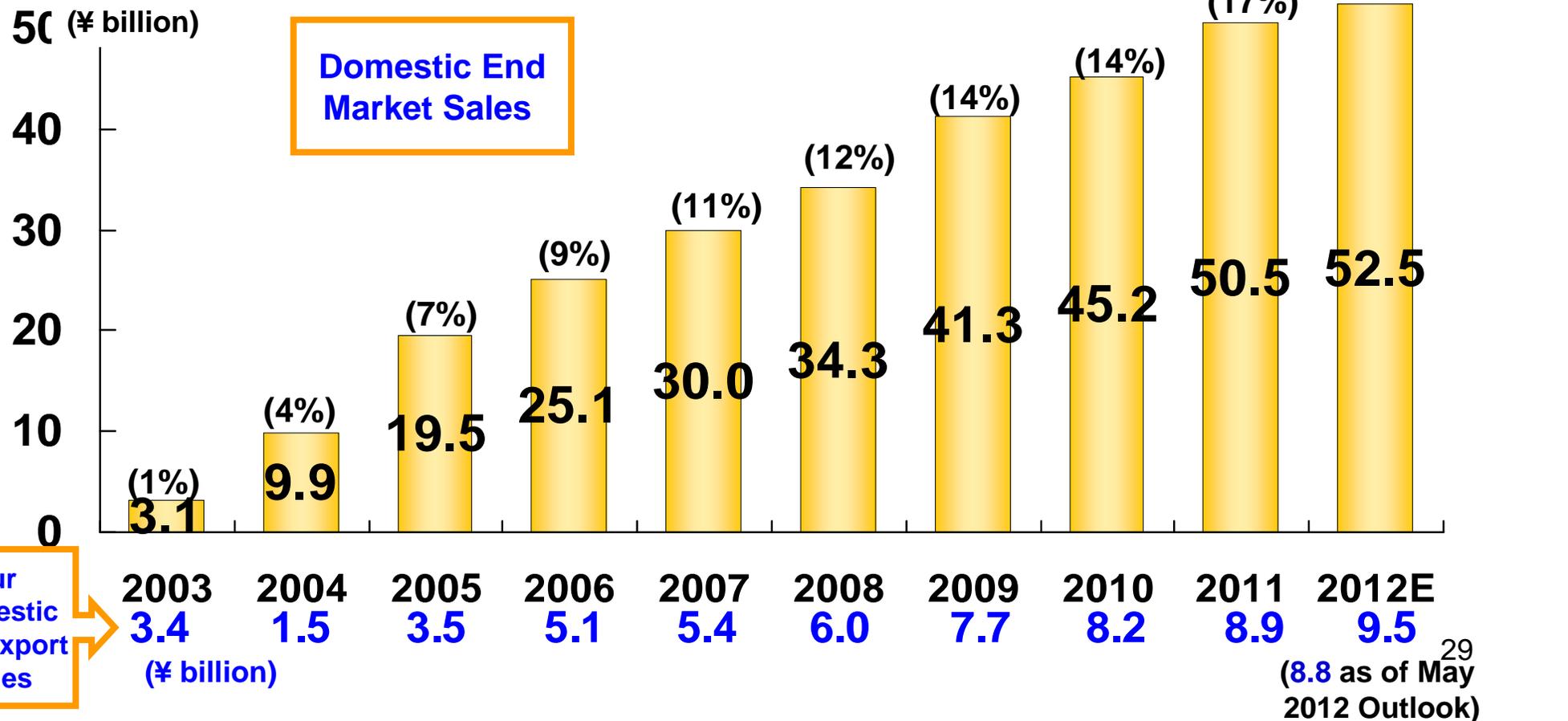
< Before Launch > → < After Launch >



# Pharmaceuticals – ② LIVALO (anti-cholesterol drug)

- ◆ Domestic market share up steadily  
(about 19% in 1H FY2012, FY2012 target raised from 18% to 20%)
- ◆ Sales started in USA in June 2010, co-distribution by Kowa and Eli Lilly
- ◆ Sales started in Europe in 2011 (Spain in May, Portugal in June)
- ◆ FY2012 NHI drug price cut 8% (last cut in FY2010)
- ◆ New plant completed in March 2011, commercial production started in May FY2012
- ◆ 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 & Pipeline

## ◆ LIVALO World Wide Strategy

Country/Region	Developing Status	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
Spain	Launched	May 2011	Kowa(KPE), Recordati
Portugal	Launched	June 2011	Kowa(KPE), Recordati
Mexico	Launched	Feb 2012	Eli Lilly
Indonesia	Launched	May 2012	Indonesia Tanabe
Taiwan	Launched	June 2012	Taiwan Tanabe
France	Approved	2012	Kowa(KPE), Recordati
Italy	Approved	2012	Kowa(KPE), Recordati
Australia	Approved	2012	Abbott

Other approved countries : Ireland, Cyprus, Greece, Switzerland, Turkey, Poland, Austria, etc.

## ◆ Pipeline

Product	Market		Developing Status	Licensee	Expected Market Size (¥ billion)
<b>NT-702</b> (Anti-platelet agent)	Japan	Intermittent claudication	Phase II	Taisho	20-30
		Asthma			20
<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)

# Pharmaceuticals – ④ Profit Overview

(¥billion)

	2011			2012 E			Change			FY2012 E as of May 2012		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total	1HE	2HE	Total
Sales	5.2	4.8	10.0	5.3	4.3	9.6	0.1	-0.5	-0.4	4.9	4.1	9.0
OP	2.6	2.0	4.6	2.6	1.7	4.3	0.0	-0.3	-0.3	2.3	1.7	4.0

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ LIVALO
  - National Health Insurance drug price cut 8%
  - Domestic and export sales volume up
  - Variable cost down by new plant
- ◆ No milestones
- ◆ Sales up ¥0.1billion,  
( LIVALO+0.7, milestones-0.4, others-0.2), OP flat

<vs. 1H FY2012 Outlook as of May 2012>

- ◆ LIVALO export above expectations
- ◆ Commercial production of LIVALO at new plant  
(with lower variable costs) started in May 2012,  
2 months earlier than original plan
- ◆ Sales up ¥0.4billion, OP up ¥0.3billion

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ LIVALO export up, domestic sales down
- ◆ Sales down ¥0.5billion (LIVALO-0.2, others-0.3),  
OP down ¥0.3billion

<vs. 2H FY2012 Outlook as of May 2012>

- ◆ LIVALO export above expectations
- ◆ Sales ¥0.2billion (LIVALO+0.3, others-0.1), OP flat

## LIVALO annual sales volume

<vs. FY2011>

<vs. FY2012 Outlook as of May 2012>

- ◆ Both domestic and export up

- ◆ Domestic sales in line with expectations, export above expectations

# Trading – Profit Overview

- ◆ Mainly import raw and intermediate materials and export products for NCI group

(¥billion)

	FY2011			FY2012 E			Change			FY2012 E as of May 2012		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total	1HE	2HE	Total
Sales	22.5	22.3	44.8	22.7	25.3	48.0	0.2	3.0	3.2	22.3	24.9	47.2
OP	0.7	0.6	1.3	0.7	0.8	1.5	0.0	0.2	0.2	0.6	0.8	1.4

## 1H FY 2012 Review

<vs. 1H FY2011>

- ◆ Sales up , but OP flat due to changes in product mix
- ◆ Sales up ¥0.2billion, OP flat

## 2H FY 2012 Outlook

<vs. 2H FY2011>

- ◆ Sales and OP up with increase in trading volume
- ◆ Sales up ¥3.0billion, OP up ¥0.2billion

<vs. 1H FY2012 Outlook as of May 2012>

- ◆ Sales up , OP in line with expectations
- ◆ Sales up ¥0.4billion, OP up ¥0.1billion

<vs. 2H FY2012 Outlook as of May 2012>

- ◆ Sales slightly above expectations
- ◆ Sales up ¥0.4billion, OP flat

# Capex/Depreciation/R&D by Segment

(¥billion)

	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	1.0	-	-	3.4	2.5	2.0	-	-	0.8	0.8	0.7	1.9%
Perf. Materials	-	-	3.7	2.2	3.0	-	-	4.1	4.3	3.8	-	-	5.6	6.2	6.5	17.2%
Agro	-	-	0.4	2.1	2.1	-	-	1.9	1.8	2.0	-	-	2.6	2.8	2.8	8.0%
Pharma	-	-	2.4	1.7	0.6	-	-	0.3	1.0	1.2	-	-	2.4	2.5	2.5	26.0%
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	0.5	-	-	0.6	0.8	0.4	-	-	1.2	1.3	1.3	-
<b>Total</b>	<b>13.9</b>	<b>10.1</b>	<b>9.6</b>	<b>8.3</b>	<b>7.3</b>	<b>10.2</b>	<b>11.0</b>	<b>10.4</b>	<b>10.5</b>	<b>9.5</b>	<b>13.7</b>	<b>13.1</b>	<b>12.6</b>	<b>13.6</b>	<b>13.8</b>	
R&D expenses/Sales (%)											8.6%	8.8%	8.2%	9.2%	8.9%	

(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)

R&D Personnel (Sept. 2012) -①	420
Total Professionals (Sept. 2012) -②	1,026
①/②	41%

※Parent company only

# FY2012 Main Capex Items (Approval basis)

(¥billion)

<b>2012E</b>	
<b>High purity ammonia</b>	<b>0.3</b>
<b>SUNEVER(NCK)</b>	<b>1.9</b>
<b>BARC(NCK)</b>	<b>0.9</b>
<b>Electronic Materials Labo (Building)</b>	<b>2.9</b>
<b>Electronic Materials Labo (Instruments)</b>	<b>0.8</b>
<b>Biological Research Labo</b>	<b>0.9</b>

# Financial Strategy – ① Purchase of Treasury Shares

- ◆ Started purchase of treasury shares in 2006 to enhance ROE
- ◆ Purchased ¥25.5 billion, 22.8 million shares (12.2% of shares issued) in total
- ◆ Cancelled purchased shares

## Record of purchase of treasury shares FY2006 - 12

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2006- FY2012 Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	22,793
Purchase costs (¥ billion)	4.7	5.0	8.0	0	2.8	0	5.0	25.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	0	16,635
Shares issued at FY end (thousand shares)	184,635	181,000	174,000	174,000	171,000	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		
Dividend (¥ / Share)	20	20	22	24	24	24		
Total payout ratio (dividend + purchase of treasury shares) (%)	61	56	117	32	53	37		

### ◆ Notification on May 15, 2012

- (1) Total number of shares purchased : 6.372 million shares
- (2) Total amount of purchase costs : ¥ 5 billion
- (3) Purchase period : From May 16, 2012 to August 30, 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

+

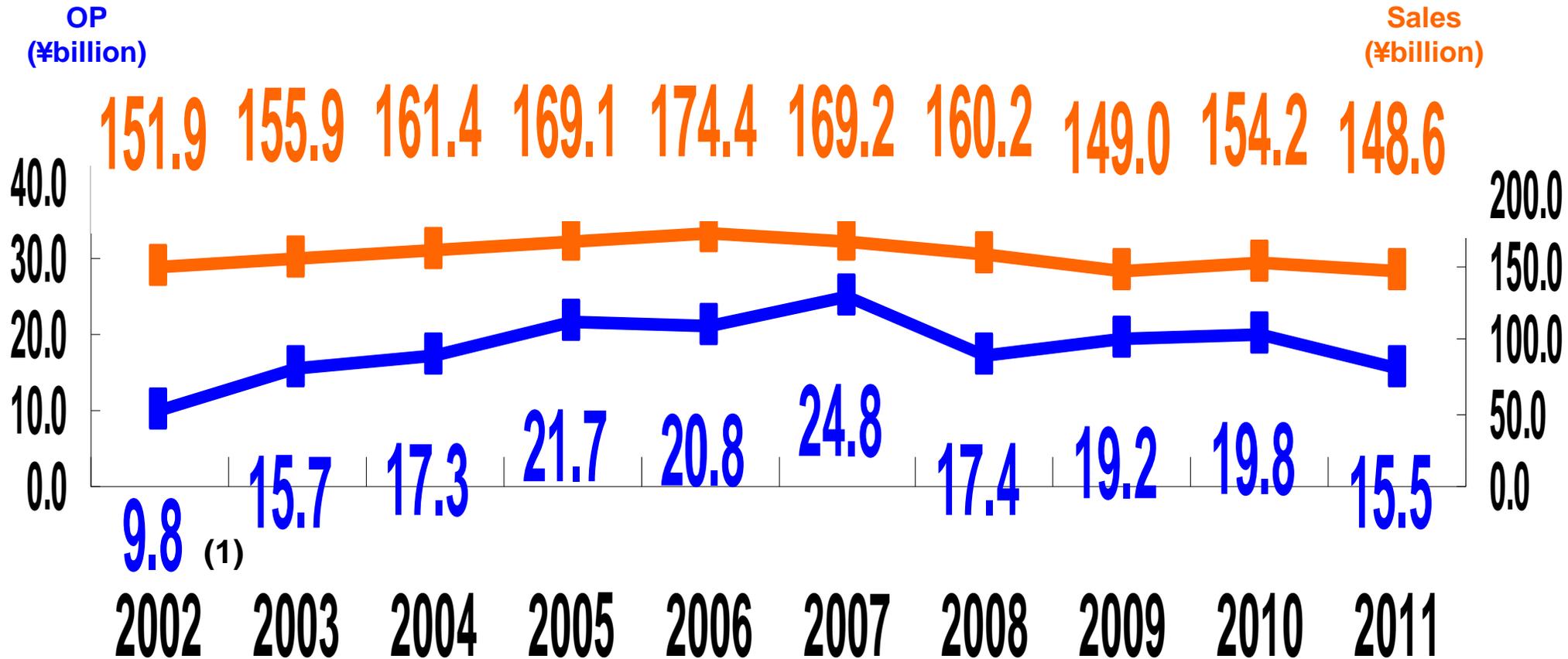
1/3 of short-term borrowings outstanding

+

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
<b>Sales</b>	151.9	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6
<b>Operating Profit</b>	9.8	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5
<b>Ordinary Income</b>	8.6	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9
<b>Net Income</b>	4.0	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0
<b>EBITDA</b>	20.7	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9
<b>OP Margin</b>	6.5%	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%
<b>ROE(%)</b>	6.7%	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%
<b>EPS(¥)</b>	21.16	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52
<b>Dividend(¥/share)</b>	9	11	11	15	20	20	22	24	24	24
<b>Purches of treasury shares</b>	-	-	-	-	4.7	5.0	8.0	-	2.8	-
<b>Net Assets</b>	60.6	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6
<b>Liabilities with interest</b>	68.5	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9
<b>Equity ratio</b>	35.4%	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%
<b>Capex</b>	18.8	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3
<b>Depreciation</b>	10.9	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5
<b>R&amp;D Expenses</b>	7.5	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6
<b>R&amp;D Expenses/Sales(%)</b>	4.9%	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%
<b>Number of employees (parent company)</b>	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 (A)</b>	Chemicals	38.1	24.7%	36.9	24.8%	37.5	24.2%
	Performance Materials	38.0	24.6%	34.0	22.9%	37.7	24.3%
	Agrochemicals	34.4	22.3%	33.8	22.7%	35.1	22.6%
	Pharmaceuticals	9.6	6.2%	10.0	6.7%	9.6	6.2%
	Trading	44.1	28.6%	44.8	30.1%	48.0	31.0%
	Others	27.0	17.5%	20.0	13.5%	21.7	14.0%
	Adjustment	-37.0	-24.0%	-30.9	-20.8%	-34.6	-22.3%
	<b>Total</b>	<b>154.2</b>	<b>100%</b>	<b>148.6</b>	<b>100%</b>	<b>155.0</b>	<b>100%</b>

<b>OP (B)</b>	Chemicals	2.4	12.1%	1.6	10.3%	2.5	13.4%
	Performance Materials	7.9	39.9%	4.8	31.0%	6.7	36.0%
	Agrochemicals	4.8	24.2%	4.4	28.4%	4.8	25.8%
	Pharmaceuticals	4.4	22.2%	4.6	29.7%	4.3	23.1%
	Trading	1.4	7.1%	1.3	8.4%	1.5	8.1%
	Others	1.0	5.1%	0.3	1.9%	0.5	2.7%
	Adjustment	-2.1	-10.6%	-1.5	-9.7%	-1.7	-9.1%
	<b>Total</b>	<b>19.8</b>	<b>100%</b>	<b>15.5</b>	<b>100%</b>	<b>18.6</b>	<b>100%</b>

<b>OP Margin (C) = (B)/(A)</b>	Chemicals	6.3%	4.3%	6.7%
	Performance Materials	20.8%	14.1%	17.8%
	Agrochemicals	14.0%	13.0%	13.7%
	Pharmaceuticals	45.8%	46.0%	44.8%
	Trading	3.2%	2.9%	3.1%
	Others	3.7%	1.5%	2.3%
	<b>Total</b>	<b>12.9%</b>	<b>10.4%</b>	<b>12.0%</b>

		March 31, 2012	
<b>Segment Assets (D)</b>	Chemicals	31.6	16.6%
	Performance Materials	31.5	16.6%
	Agrochemicals	44.6	23.5%
	Pharmaceuticals	12.4	6.5%
	Trading	16.5	8.7%
	Others	9.5	5.0%
	Adjustment (Common Assets)	44.0	23.1%
	<b>Total</b>	<b>190.1</b>	<b>100%</b>

<b>ROA (E) = (B)/(D)</b>	Chemicals	5.1%
	Performance Materials	15.2%
	Agrochemicals	9.9%
	Pharmaceuticals	37.1%
	Trading	7.9%
	Others	3.2%
	<b>Total</b>	<b>8.1%</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%
	<b>Total</b>	<b>169.2</b>	<b>100%</b>	<b>174.4</b>	<b>100%</b>	<b>169.2</b>	<b>100%</b>	<b>160.2</b>	<b>100%</b>	<b>149.0</b>	<b>100%</b>	<b>154.2</b>	<b>100%</b>
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%
	<b>Total</b>	<b>21.7</b>	<b>100%</b>	<b>20.8</b>	<b>100%</b>	<b>24.8</b>	<b>100%</b>	<b>17.4</b>	<b>100%</b>	<b>19.2</b>	<b>100%</b>	<b>19.8</b>	<b>100%</b>
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%
	<b>Total</b>		<b>12.8%</b>		<b>11.9%</b>		<b>14.6%</b>		<b>10.9%</b>		<b>12.8%</b>		<b>12.9%</b>

(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, FY2006 sales ¥27.7 billion)

# FY2010- 2Q FY2012 Quarterly Sales by Segment

(New Segmentation)(1)

(¥billion)

	FY2010					FY2011					FY2012	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	9.6	8.9	9.8	9.8	38.1	9.4	9.2	9.0	9.3	36.9	9.1	8.8
Fine Chemicals	3.3	2.8	2.5	2.7	11.3	3.0	2.9	2.4	2.6	10.9	2.9	2.7
Basic Chemicals	6.3	6.1	7.3	7.1	26.8	6.4	6.3	6.6	6.7	26.0	6.2	6.1
Performance Materials	10.4	9.3	9.0	9.3	38.0	8.7	8.3	8.6	8.4	34.0	9.5	9.3
Agro	6.9	5.1	4.4	18.0	34.4	7.1	5.4	3.7	17.6	33.8	8.3	5.1
Pharma	2.5	2.3	2.1	2.7	9.6	2.9	2.3	2.4	2.4	10.0	3.5	1.8
Trading	10.7	10.5	11.8	11.1	44.1	11.6	10.9	10.8	11.5	44.8	11.9	10.8
Others	6.5	4.6	4.3	11.6	27.0	4.6	4.7	4.3	6.4	20.0	3.9	6.3
Adjustment	-7.6	-7.6	-8.7	-13.1	-37.0	-7.7	-7.6	-7.3	-8.3	-30.9	-7.8	-9.4
<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>	<b>38.4</b>	<b>32.7</b>

(1) FY2010 are restated based on new segmentation

# FY2010- 2Q FY2012 Quarterly OP by Segment (New Segmentation)(1)

(¥billion)

	FY2010					FY2011					FY2012	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	1.1	-0.5	0.9	0.9	2.4	1.0	-0.2	0.6	0.2	1.6	0.8	0.0
Performance Materials	2.6	2.3	1.6	1.4	7.9	1.7	0.9	1.1	1.1	4.8	2.1	2.0
Agro	0.8	0.0	-1.4	5.4	4.8	1.2	-0.4	-1.5	5.1	4.4	1.6	-0.3
Pharma	1.2	0.9	1.1	1.2	4.4	1.4	1.2	1.0	1.0	4.6	1.9	0.7
Trading	0.4	0.3	0.4	0.3	1.4	0.4	0.3	0.3	0.3	1.3	0.4	0.3
Others	0.1	0.0	-0.1	1.0	1.0	0.0	0.0	-0.1	0.4	0.3	-0.1	0.2
Adjustment	-0.4	-0.5	-0.3	-0.9	-2.1	-0.5	-0.4	-0.4	-0.2	-1.5	-0.4	-0.6
<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>	<b>6.3</b>	<b>2.3</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>◆ Herbicide</b> TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP <b>◆ Insecticide</b> STARMITE, SANMITE, MITOKOHNE <b>◆ Fungicide</b> LEIMAY PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)	soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy 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	<p>◆ Organic Materials</p> <p>TEPIC Custom Chemicals Melamine cyanurate</p>	<p>epoxy compound for LED sealants, solder resist, painting custom manufacturing and process services for pharmaceutical companies flame retardant</p>
	<p>◆ Inorganic Materials</p> <p>SNOWTEX</p> <p>Organo silica sol Alumina sol SUNCOLLOID CELNAX</p>	<p>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</p>
	<p>◆ Basic Chemicals</p> <p>Melamine AdBlue Environmetal product Ammonia, Sulfuric acid, Nitric acid Highpurity chemicals</p>	<p>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</p>
Electronic Materials	<p>SUNEVER BARC NHC Micro lens</p>	<p>LCD alignment coating bottom anti-reflective coating for semiconductors protective coating for touch panel microlens material for image sensor application</p>
Agro	<p>◆ Herbicide</p> <p>TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP</p> <p>◆ Insecticide</p> <p>STARMITE, SANMITE, MITOKOHNE</p> <p>◆ Fungicide</p> <p>LEIMAY PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)</p>	<p>soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land  fruits,tea, vegetables  potato, grape, turf</p>
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.**