

October 29, 2013

Presentation for Investors

1H FY2013 (April 1 – September 30, 2013)
Financial Results

Translation of presentation materials for the investor meeting held in Tokyo on October 29, 2013

1H FY2013 PL

	1H FY2012	1H FY2013	Change
Sales	71.1	76.4	5.3
Operating Profit	8.6	10.6	2.0
Non-Operating Income/Expenses	-0.2	0.5	0.7
Ordinary Income	8.4	11.1	2.7
Extraordinary Profit/Loss	-	-	-
Net Income	5.6	8.0	2.4
EBITDA (1)	13.0	14.6	1.6
EPS (¥)	33.63	48.62	14.99
Dividend (¥/share)	¥12	¥14	¥2
Total amount of Dividend	2.0	2.3	0.3
OP Margin (%)	12.1%	13.8%	1.7%
FX Rate (¥/\$)	79	99	
Naphtha (¥/KL) (2)	54,800	64,600	
Comprehensive Income	5.0	10.0	

(¥billion)

1H FY2013 Outlook as of May 2013	1H FY2013 Outlook as of July 2013
72.0	75.0
8.7	9.5
0.1	0.3
8.8	9.8
-	-
6.3	7.0
12.9	-
38.48	42.75
¥12	¥12
2.0	2.0
12.1%	12.7%
85	-
61,000	-

(1) EBITDA = Operating Profit + Depreciation

(2) Based on Trade Statistics of Japan Ministry of Finance (1H FY2013: Based on April-August actual)

1H FY2013 Review

<vs. 1H FY2012>

(Sales) ◆ Up ¥5.3 billion (+7.4%) (+) Chemicals, Performance Materials, Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Up ¥2.0 billion (+23.3%) (+) Performance Materials, Agrochemicals, Pharmaceuticals
(±) Chemicals, Trading

(Non-Operating
Income and Expenses) ◆ Up ¥0.7 billion

(Ordinary Income) ◆ Up ¥2.7 billion (+32.6%)

(Net Income) ◆ Up ¥2.4 billion (+41.5%)

◆ OP, Ordinary Income, Net Income renewed the highest results for 1H recorded in 1H FY2008

<vs. 1H FY2013 Outlook as of May 2013>

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

(OP) ◆ Up ¥1.9 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading

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

(Ordinary Income) ◆ Up ¥2.3 billion

(Net Income) ◆ Up ¥1.7 billion

<vs. 1H FY2013 Outlook as of July 2013 >

(Sales) ◆ Up ¥1.4 billion (+) Performance Materials, Agrochemicals, Trading
(±) Pharmaceuticals
(-) Chemicals

(OP) ◆ Up ¥1.1 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading
(-) Chemicals

(Ordinary Income) ◆ Up ¥1.3 billion

(Net Income) ◆ Up ¥1.0 billion

<Dividend> ◆ ¥14/share (up ¥2 vs. 1H FY2012 Actual and 1H FY2013 Outlook as of May 2013)

1H FY2013

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

(¥billion)

	1H FY2012	1H FY2013	Change
Non-Operating Income	1.13	1.38	0.25
Interest income, dividend income	0.31	0.28	-0.03
Equity in earnings of affiliates	0.30	0.38	0.08
Gain on foreign exchange	0.00	0.23	0.23
Others	0.52	0.49	-0.03
Non-Operating Expenses	1.32	0.84	-0.48
Interest expense	0.19	0.16	-0.03
Loss on disposal of fixed assets	0.16	0.15	-0.01
Loss on revaluation of investments in securities	0.26	0.00	-0.26
Loss on foreign exchange	0.27	0.00	-0.27
Others	0.44	0.53	0.09
Extraordinary Profit	-	-	-
Extraordinary Loss	-	-	-
Comprehensive Income	5.00	10.00	5.00
Net income	5.63	7.96	2.33
Minority interests	0.04	0.09	0.05
Unrealized gains or losses on investment securities	-0.57	1.40	1.97
Foreign currency translation adjustments	-0.10	0.55	0.65

1H FY2013 Cash Flow

(¥billion)

	1H FY2012	1H FY2013
CF from operating activities	21.9	22.7
Profit before income tax	8.4	11.1
Depreciation & amortization	4.4	4.0
Tax	-1.9	-3.9
Working capital, others	11.0	11.5
CF from investing activities	-4.8	-7.7
Purchase of PPE	-3.9	-4.1
Others	-0.9	-3.6
CF from financing activities	-22.6	-19.1
Dividends paid	-2.0	-2.3
Borrowings	-15.5	-16.7
Purchase of treasury shares	-5.0	0.0
Others	-0.1	-0.1
Effect of FX rate changes on cash & cash equivalents	-0.1	0.2
Change in cash & cash equivalents	-5.6	-3.9
Cash & cash equivalents at end of period	22.3	28.0

1H FY2013 Balance Sheets

(¥billion)

	2012/9	2013/3 A	2013/9 B	Change B - A
Current assets	101.0	125.9	108.1	-17.8
Cash	22.3	31.9	28.0	-3.9
Accounts receivable	43.4	56.7	42.1	-14.6
Inventories	30.1	30.6	31.5	0.9
Others	5.2	6.7	6.5	-0.2
Fixed assets	72.5	73.3	79.3	6.0
Total PPE	45.8	44.0	44.8	0.8
Intangible assets	2.4	2.0	1.6	-0.4
Investment securities	21.5	24.9	31.1	6.2
Others	2.8	2.4	1.8	-0.6
Total assets	173.5	199.2	187.4	-11.8

	2012/9	2013/3 A	2013/9 B	Change B - A
Liabilities	56.0	72.5	53.1	-19.4
Accounts payable	14.8	17.4	14.4	-3.0
Borrowings	23.4	38.1	21.4	-16.7
Others	17.8	17.0	17.3	0.3
Net assets	117.5	126.7	134.3	7.6
Shareholders' equity	116.6	122.9	128.6	5.7
Unrealized gains or losses on investment securities	1.5	3.5	4.9	1.4
Foreign currency translation adjustments	-1.5	-0.8	-0.3	0.5
Minority interests	0.9	1.1	1.1	0.0
Total liabilities & Net assets	173.5	199.2	187.4	-11.8

- Equity Ratio 67.2% 63.0% 71.1%
- D/E Ratio (1) 1.0% 5.0% -5.1%
- Change in shareholders' equity 5.7
= Net Income 8.0 - Dividend 2.3

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

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FY2013 Outlook

(¥billion)

	FY2012			FY2013 Outlook as of Oct 2013			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Sales	71.1	82.7	153.8	76.4	86.1	162.5	5.3	3.4	8.7
Operating Profit	8.6	10.9	19.5	10.6	11.4	22.0	2.0	0.5	2.5
Non-Operating Income/Expenses	-0.2	1.2	1.0	0.5	0.5	1.0	0.7	-0.7	0.0
Ordinary Income	8.4	12.1	20.5	11.1	11.9	23.0	2.7	-0.2	2.5
Extraordinary Profit/Loss (1)	-	-	-	-	-0.3	-0.3	-	-0.3	-0.3
Net Income	5.6	8.3	13.9	8.0	8.0	16.0	2.4	-0.3	2.1
EBITDA (2)	13.0	16.0	29.0	14.6	16.0	30.6	1.6	0.0	1.6
EPS (¥)	33.63	50.11	83.74	48.62	49.10	97.72	14.99	-1.01	13.98
Dividend (¥/share)	¥12	¥14	¥26	¥14	¥14	¥28	¥2	¥0	¥2
Total amount of Dividend	2.0	2.3	4.3	2.3	2.3	4.6	0.3	0.0	0.3
OP Margin (%)	12.1%	13.3%	12.7%	13.8%	13.2%	13.5%	1.7%	-0.1%	0.8%
ROE(%)	-	-	11.4%	-	-	12.2%			
FX Rate (¥/\$)	79	87		99	100				
Naphtha (¥/kl)	54,800	59,800		64,600	63,600				
Comprehensive Income	5.0	11.1	16.1	10.0					

FY2013 Outlook as of May 2013			FY2013 Outlook as of July 2013
1HE	2HE	Total	1HE
72.0	84.0	156.0	75.0
8.7	11.7	20.4	9.5
0.1	0.5	0.6	0.3
8.8	12.2	21.0	9.8
-	-	-	-
6.3	8.6	14.9	7.0
12.9	16.3	29.2	-
38.48	52.52	91.00	42.75
¥12	¥14	¥26	¥12
2.0	2.3	4.3	2.0
12.1%	13.9%	13.1%	12.7%
-	-	11.4%	-
85	85		-
61,000	61,000		-

(1) Asset impairment loss -0.3 by Nissan Chemical America Corporation (NCA)
(Mainly production and marketing of Inorganic Materials)

(2) EBITDA = Operating Profit + Depreciation

2H FY2013 Outlook

<vs. 2H FY2012>

(Sales)	◆Up ¥3.4 billion(+4.1%)	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
(OP)	◆Up ¥0.5 billion(+3.9%)	(+) Chemicals, Performance Materials, Agrochemicals (±) Trading (-) Pharmaceuticals
(Non-Operating Income and Expenses)	◆Down ¥0.7 billion	
(Ordinary Income)	◆Down ¥0.2 billion(-1.7%)	
(Extraordinary Profit and Loss)	◆Down ¥0.3 billion	Asset impairment loss-0.3 by Nissan Chemical America
(Net Income)	◆Down ¥0.3 billion(-3.1%)	

<vs. 2H FY2013 Outlook as of May 2013>

(Sales)	◆Up ¥2.1 billion	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
(OP)	◆Down ¥0.3 billion	(±) Agrochemicals, Pharmaceuticals (-) Chemicals, Performance Materials, Trading
(Ordinary Income)	◆Down ¥0.3 billion	
(Extraordinary Profit and Loss)	◆Down ¥0.3 billion	Asset impairment loss-0.3 by Nissan Chemical America
(Net Income)	◆Down ¥0.6 billion	

<Dividend>

◆ ¥14/share (Same as 2H FY2012 Actual and 2H FY2013 Outlook as of May 2013)

Full Year FY2013 Outlook

<vs. FY2012>

(Sales) ◆Up ¥8.7 billion(+5.7%) (+) Chemicals , Performance Materials, Agrochemicals, Trading
(-) Pharmaceuticals

(OP) ◆Up ¥2.5 billion(+12.5%) (+) Chemicals, Performance Materials, Agrochemicals
(±) Trading
(-) Pharmaceuticals

(Ordinary Income) ◆Up ¥2.5 billion(+12.2%)

(Extraordinary Profit and Loss) ◆Down ¥0.3 billion Asset impairment loss -0.3 by Nissan Chemical America

(Net Income) ◆Up ¥2.1 billion(+15.3%)

<vs. FY2013 Outlook as of May 2013>

(Sales) ◆Up ¥6.5 billion (+) Chemicals, Performance Materials, Agrochemicals, Trading
(±) Pharmaceuticals

(OP) ◆Up ¥1.6 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals
(±) Trading
(-) Chemicals

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

(Ordinary Income) ◆Up ¥2.0 billion

(Extraordinary Profit and Loss) ◆Down ¥0.3 billion Asset impairment loss -0.3 by Nissan Chemical America

(Net Income) ◆Up ¥1.1 billion

<Dividend > ◆¥28/share (up ¥2 vs. FY2012 Actual and FY2013 Outlook as of May 2013)

FY2013 Cash Flow Outlook

(¥billion)

	FY2012	FY2013 Outlook as of Oct 2013	FY2013 Outlook as of May2013
CF from operating activities	22.8	20.6	20.0
Profit before income tax	20.5	23.0	21.0
Depreciation & Amortization	9.5	8.6	8.8
Tax	-4.4	-7.3	-6.7
Working capital, others	-2.8	-3.7	-3.1
CF from investing activities	-9.3	-14.0	-11.6
Purchase of PPE	-8.0	-10.4	-9.5
Others	-1.3	-3.6	-2.1
CF from financing activities	-9.8	-6.7	-6.3
Dividends paid	-4.0	-4.6	-4.3
Borrowings	-0.8	-2.0	-2.0
Purchase of treasury shares	-5.0	0.0	0.0
Others	0.0	-0.1	0.0
Effect of FX rate changes on cash & cash equivalents	0.3	0.2	0.0
Change in cash & cash equivalents	4.0	0.1	2.1
Cash & cash equivalents at end of period	31.9	32.0	34.0

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)

FY2012 Sales		
Chem	Fine Chemicals	11.2 (7.3%)
	Basic Chemicals	25.4 (16.5%)
Performance Materials		37.4 (24.3%)
Agro		35.4 (23.0%)
Pharma		10.6 (6.9%)
Trading		46.6 (30.3%)
Others		21.2 (13.8%)

TEPIC

Epoxy compound for painting, LED sealant, solder resist

Largest (World)

High purity sulfuric acid

Agents for cleaning semiconductors

Largest (Japan)

AdBlue

Urea to reduce NOx for diesel trucks

Among top 3 (Japan)

SUNEVER

LCD alignment coating

Major (Asia)

BARC

Bottom-anti-reflective coating for semiconductor

Largest (Asia)

SNOWTEX

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

Largest (Japan)

ROUNDUP

Non-selective herbicide

Largest (Japan)

SIRIUS

Paddy rice herbicide

No.3 (Japan)

LIVALO

Anti-cholesterol drug

No.3 (Japan)

NCI's Position

FY2013 Sales Outlook by Segment

(¥billion)

	FY2012			FY2013 Outlook as of Oct 2013			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Chem	17.9	18.7	36.6	18.6	19.2	37.8	0.7	0.5	1.2
Fine Chemicals	5.6	5.6	11.2	6.0	5.8	11.8	0.4	0.2	0.6
Basic Chemicals	12.3	13.1	25.4	12.6	13.4	26.0	0.3	0.3	0.6
Performance Materials	18.8	18.6	37.4	20.6	21.9	42.5	1.8	3.3	5.1
Agro	13.4	22.0	35.4	16.0	22.9	38.9	2.6	0.9	3.5
Pharma	5.3	5.3	10.6	5.7	4.4	10.1	0.4	-0.9	-0.5
Trading	22.7	23.9	46.6	24.5	25.2	49.7	1.8	1.3	3.1
Others	10.2	11.0	21.2	9.7	11.3	21.0	-0.5	0.3	-0.2
Adjustment	-17.2	-16.8	-34.0	-18.7	-18.8	-37.5	-1.5	-2.0	-3.5
Total	71.1	82.7	153.8	76.4	86.1	162.5	5.3	3.4	8.7

FY2013 Outlook as of May 2013			FY2013 Outlook as of July 2013
1HE	2HE	Total	1HE
17.9	19.7	37.6	18.8
5.8	6.2	12.0	-
12.1	13.5	25.6	-
19.6	20.3	39.9	20.4
13.4	22.8	36.2	14.5
5.6	4.5	10.1	5.7
23.7	25.0	48.7	23.7
9.8	11.5	21.3	9.8
-18.0	-19.8	-37.8	-17.9
72.0	84.0	156.0	75.0

FY2013 OP Outlook by Segment

(¥billion)

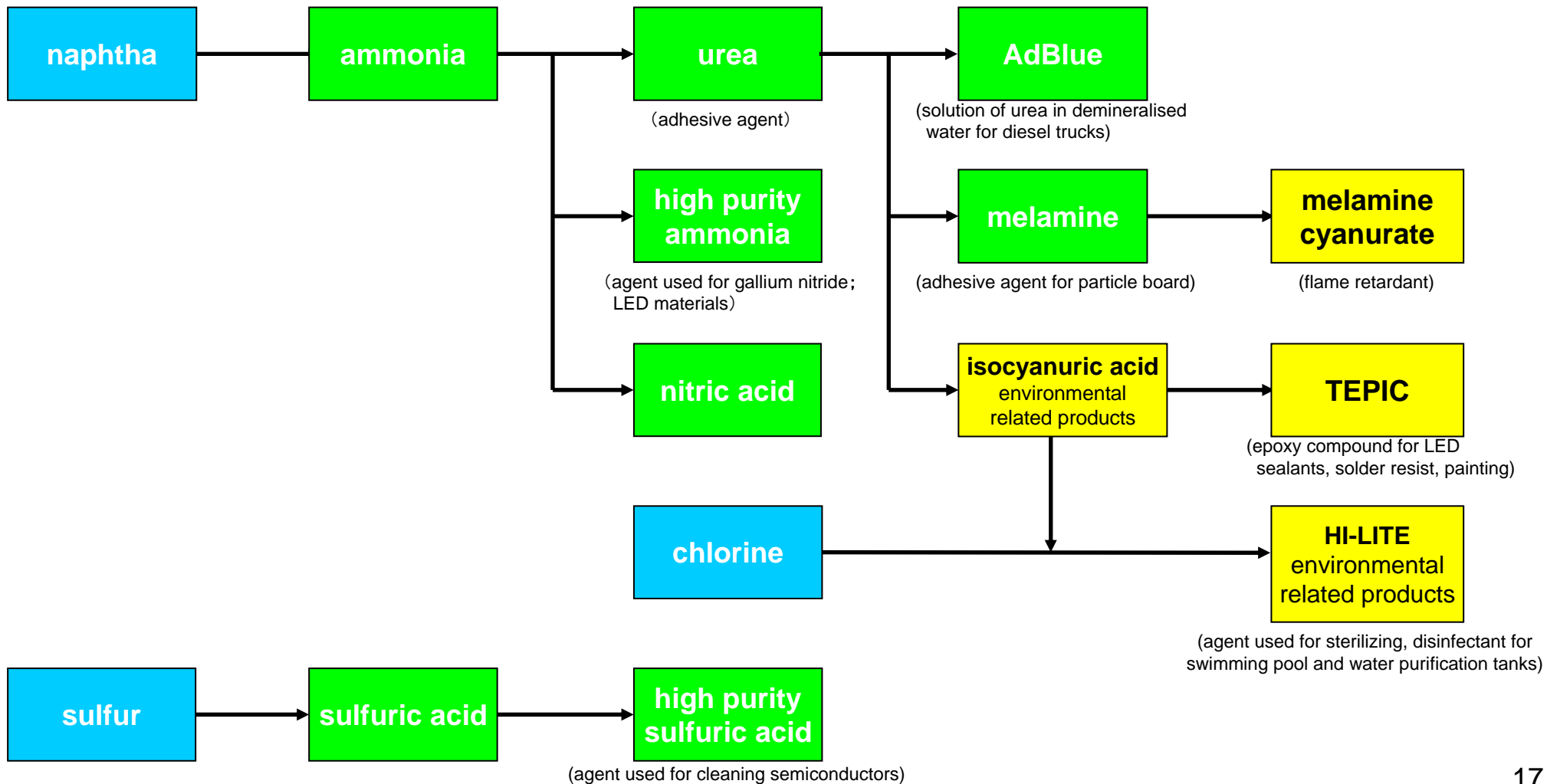
	FY2012			FY2013 Outlook as of Oct 2013			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Chem	0.8	1.1	1.9	0.8	1.6	2.4	0.0	0.5	0.5
Performance Materials	4.1	3.1	7.2	4.4	3.6	8.0	0.3	0.5	0.8
Agro	1.3	3.7	5.0	2.4	3.8	6.2	1.1	0.1	1.2
Pharma	2.6	2.6	5.2	3.1	2.0	5.1	0.5	-0.6	-0.1
Trading	0.7	0.7	1.4	0.7	0.7	1.4	0.0	0.0	0.0
Others	0.1	0.6	0.7	0.2	0.5	0.7	0.1	-0.1	0.0
Adjustment	-1.0	-0.9	-1.9	-1.0	-0.8	-1.8	0.0	0.1	0.1
Total	8.6	10.9	19.5	10.6	11.4	22.0	2.0	0.5	2.5

FY2013 Outlook as of May2013			FY2013 Outlook as of July2013
1HE	2HE	Total	1HE
0.9	1.7	2.6	1.0
3.5	3.7	7.2	3.8
1.4	3.8	5.2	1.7
2.9	2.0	4.9	3.0
0.6	0.8	1.4	0.6
0.0	0.4	0.4	0.0
-0.6	-0.7	-1.3	-0.6
8.7	11.7	20.4	9.5

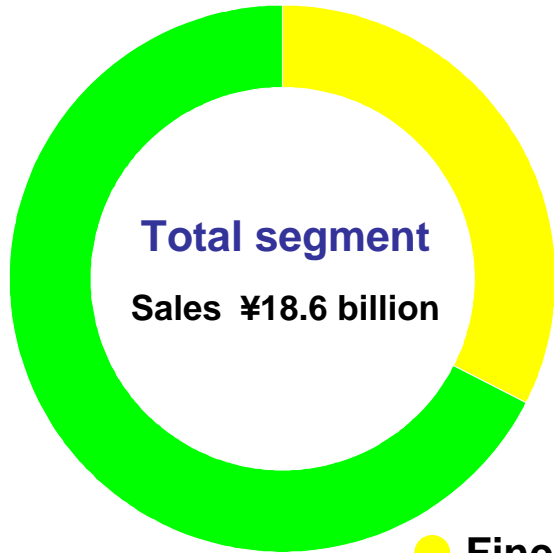
Chemicals – (A) Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2012 ammonia domestic market share 9%, high percentage of self-consumption of ammonia

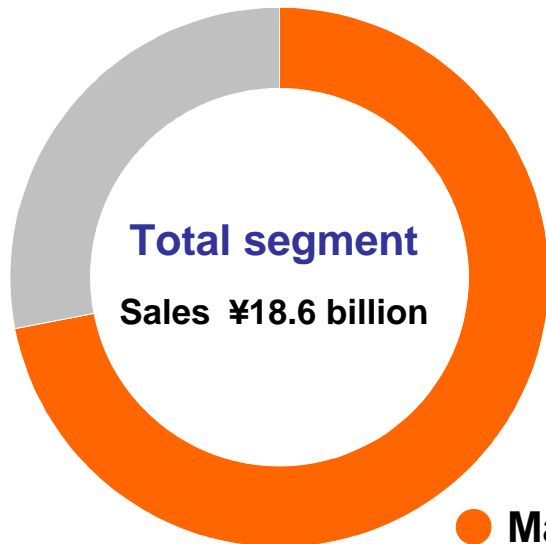
 = Purchased materials
 = Basic Chemicals
 = Fine Chemicals



Chemicals – (B) 1H FY2013 Sales Distribution

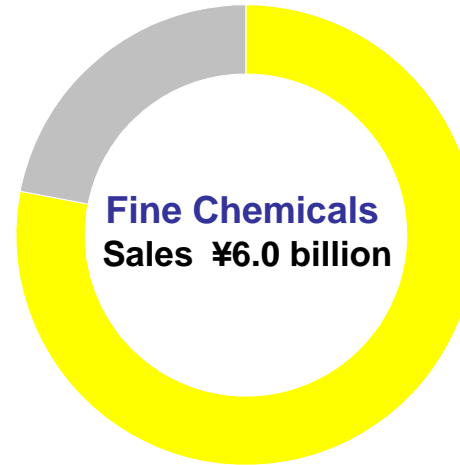


● Fine Chemicals 32%
● Basic Chemicals 68%

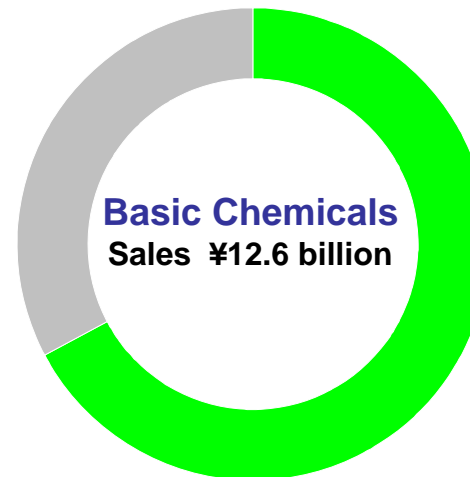


● Main Products 72%
● Others 28%

Subsegment



● Main Products 79%
● Others 21%



● Main Products 69%
● Others 31%

Main Products

● Fine Chemicals
● Basic Chemicals

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

Chemicals – (C) Fine Chemicals Subsegment

1H FY2013 Sales Review

<vs. 1H FY2012> ◆ TEPIC

- ◆ Environmental related products
- ◆ Custom Chemicals

: Due to weak yen, sales for general applications and electronic materials up

: Strong domestic demand, and increase in export due to weak yen

: Down due to customers inventory adjustments

2H FY2013 Sales Outlook

<vs. 2H FY2012> ◆ TEPIC

- ◆ Environmental related products
- ◆ Custom Chemicals

: Sales for both general applications and electronic materials up

: Export expected to increase due to weak yen, domestic sales marginally up

: Down due to customers inventory adjustments

Main Products		Sales YOY Change					
		FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013		
		1H	2H E	Total	1H E	2H E	Total
Total Subsegment		+7%	+4%	+5%	+3%	+11%	+7%
TEPIC	◆ Epoxy compound for : (A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint (automobiles, electric appliances) ◆ World largest producer	+18%	+22%	+20%	+8%	+18%	+13%
Environmental related products	◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank	+16%	+7%	+12%	+11%	+2%	+7%
Custom Chemicals	◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediaries from pre-clinical to commercial production stages	-29%	-22%	-25%	-25%	+12%	-5%

Three products account for 78% of total consolidated subsegment sales (FY2012)

Chemicals – (D) Basic Chemicals Subsegment

1H FY2013 Sales Review

- <vs. 1H FY2012>
- ◆ Melamine : Domestic sales up due to recovery in housing construction, export up due to weak yen
 - ◆ Urea including AdBlue : Increase continuing
 - ◆ High purity sulfuric acid : Down due to lower domestic semiconductors production

2H FY2013 Sales Outlook

- <vs. 2H FY2012>
- ◆ Melamine : Domestic sales flat, export expected to decline due to weaker Asian market
 - ◆ Urea including AdBlue : Increase continuing
 - ◆ High purity sulfuric acid : Up due to production increase of certain domestic customers

Main Products		Sales YOY Change					
		FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013		
		1H	2H E	Total	1H E	2H E	Total
Total Subsegment		+2%	+3%	+2%	-1%	+3%	+1%
Melamine	◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood	+41%	-1%	+15%	+24%	-10%	+4%
Urea including AdBlue	◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox	+10%	+11%	+11%	+15%	+17%	+16%
High purity sulfuric acid	◆ Used to clean semiconductors ◆ Largest in domestic market	-7%	+11%	+1%	-2%	+13%	+5%

Three products account for 34% of total consolidated subsegment sales(FY2012)

Chemicals – (E) Profit Overview

(¥billion)

	FY2012			FY2013 E as of Oct 2013			Change			FY2013 E as of May 2013			FY2013 E as of July 2013
	1H	2H	Total	1H	2H E	Total	1H	2H E	Total	1H E	2H E	Total	1H E
Sales	17.9	18.7	36.6	18.6	19.2	37.8	0.7	0.5	1.2	17.9	19.7	37.6	18.8
Fine Chemicals	5.6	5.6	11.2	6.0	5.8	11.8	0.4	0.2	0.6	5.8	6.2	12.0	-
Basic Chemicals	12.3	13.1	25.4	12.6	13.4	26.0	0.3	0.3	0.6	12.1	13.5	25.6	-
OP	0.8	1.1	1.9	0.8	1.6	2.4	0.0	0.5	0.5	0.9	1.7	2.6	1.0

1H FY2013 Review

<vs. 1H FY2012>

(Fine Chemicals)

- ◆ Sales of TEPIC and environmental related products up, sales of Custom Chemicals down, fixed cost down
- ◆ Sales up, OP up

(Basic Chemicals)

- ◆ Sales of melamine (both domestic and export), urea including AdBlue up
- ◆ Sales of high purity sulfuric acid down, naphtha cost up
- ◆ Sales up, OP down

(Total Segment)

- ◆ Sales up ¥0.7billion, OP flat

<vs. 1H FY2013 Outlook as of May 2013 >

(Fine Chemicals)

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

(Basic Chemicals)

- ◆ Sales of melamine (both domestic and export) and urea including AdBlue above expectations
- ◆ Sales of high purity sulfuric acid below expectations, naphtha cost up
- ◆ Sales up, OP down

(Total Segment)

- ◆ Sales up ¥0.7billion, OP down ¥0.1billion

<vs. 1H FY2013 Outlook as of July 2013 >

(Fine Chemicals)

- ◆ Fine Chemicals sales in line with expectations, Basic Chemicals sales below expectations

2H FY2013 Outlook

<vs. 2H FY2012>

(Fine Chemicals)

- ◆ Sales of TEPIC and environmental related products up, sales of Custom Chemicals down, fixed cost down
- ◆ Sales up, OP up

(Basic Chemicals)

- ◆ Sales of urea, AdBlue, high purity sulfuric acid up
- ◆ Sales of Melamine slightly down, naphtha cost up
- ◆ Sales up, OP up

(Total Segment)

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

<vs. 2H FY2013 Outlook as of May 2013>

(Fine Chemicals)

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

(Basic Chemicals)

- ◆ Melamine sales (both domestic and export) above expectations
- ◆ Sales of high purity sulfuric acid and urea including AdBlue below expectations
- ◆ Sales in line with expectations, OP down

(Total Segment)

- ◆ Sales down ¥0.5billion, OP down ¥0.1 billion

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Performance Materials – (A) Topics

◆ Advanced Materials Research Lab. (*tentative name)

- Focusing on developing new applications
- To be completed in July 2014 (¥3.4 billion capex)
- Integration of R&D functions for new products and applications of Performance Materials

◆ 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

◆ 100% Acquisition of Thin Materials AG (TMAT)

<Full Acquisition Date> June 28, 2013

<Location> Munich, Germany (in the premises of Fraunhofer-Gesellschaft, FhG)

<Representative> Dr. Franz Richter

<Purpose of Acquisition>

To adopt TMAT's advanced processing and material development technologies for 3D packaging for semiconductors

Performance Materials – (B) Display Materials

1H FY 2013 Sales Review

<vs. 1H FY2012>

- ◆ Total Display Materials up 23%
- ◆ Substantial increase in IPS/FFS, VA and 3D TV materials
- ◆ TN down

<vs. 1H FY2013 Outlook
as of May 2013>

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

2H FY 2013 Sales Outlook

<vs. 2H FY2012>

- ◆ Total Display Materials up 4%
- ◆ Substantial increase in IPS/FFS
- ◆ Hole injection layer materials for OLED launching
- ◆ TN, VA and 3D TV materials down

<vs. 2H FY2013 Outlook
as of May 2013>

- ◆ IPS/FFS above expectations
- ◆ TN, VA and 3D TV materials below expectations

Main Products	Sales YOY Change					
	FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013		
	1H	2H E	Total	1H E	2H E	Total
Total SUNEVER	+24%	+3%	+13%	-2%	-5%	-3%
Other Display Materials (1)	+1%	+17%	+10%	+28%	+61%	+46%
Total Display Materials	+23%	+4%	+13%	-1%	-2%	-1%

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

Performance Materials – (C) Semiconductors Materials

1H FY2013 Sales Review

<vs. 1H FY2012>

- ◆ Total Semiconductors Materials up 9% (BARC down 4% :KrF up, ArF down)
- ◆ Other Semiconductors Materials (including multi layer process materials) up 103%

<vs. 1H FY2013 Outlook
as of May 2013>

- ◆ Total Semiconductors Materials above expectations
- ◆ BARC below expectations (KrF up, ArF down),
- ◆ Other Semiconductors Materials (including multi layer process materials) above expectations

2H FY2013 Sales Outlook

<vs. 2H FY2012>

- ◆ Total Semiconductors Materials up 10%
- ◆ BARC up 3% (KrF up, ArF up)
- ◆ Other Semiconductors Materials (including multi layer process materials) up 42%

<vs. 2H FY2013 Outlook
as of May 2013>

- ◆ Total Semiconductors Materials above expectations
- ◆ BARC below expectations (KrF in line with expectations, ArF below expectations)
- ◆ Other Semiconductors Materials (including multi layer process materials) above expectations

Main Products	Sales YOY Change					
	FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013		
	1H	2H E	Total	1H E	2H E	Total
BARC	-4%	+3%	+0%	-3%	+7%	+2%
KrF	+2%	+1%	+1%	-3%	+1%	-1%
ArF	-5%	+7%	+1%	-1%	+12%	+5%
Other Semiconductors Materials (1)	+103%	+42%	+67%	+47%	+15%	+28%
Total Semiconductors Materials	+9%	+10%	+9%	+3%	+8%	+6%

(1) Multi layer process materials, microlens, etc

Performance Materials – (D) SNOWTEX, Organo sol

1H FY2013 Sales Review

- ◆ **SNOWTEX** : Down (sluggish demand for polishing materials, demand for non-polishing materials up)
- ◆ **Organo sol** : Down due to sluggish demand

2H FY2013 Sales Outlook

- ◆ **SNOWTEX** : Marketing efforts expected to increase sales for both applications vs. 2H FY2012
- ◆ **Organo sol** : Down due to sluggish demand
Focusing on developing new applications (mainly for mobile materials by improving electronic insulation and decreasing coefficient of thermal expansion)

Main Products		Sales YOY Change (1)					
		FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013		
		1H	2H E	Total	1H E	2H E	Total
SNOWTEX	◆ Mainly Used 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) ◆ Largest domestic producer	-2%	+24%	+10%	+8%	+28%	+17%
Organo sol	◆ Used for : hard coating materials, electronic information materials ◆ World largest producer	-33%	-8%	-21%	-13%	+6%	-5%

Inorganic Materials in U.S.A.

(1) Non-consolidated basis

- ◆ October 1, 2013, Nissan Chemical Houston (NCH) (mainly producing inorganic materials) merged into Nissan Chemical America (NCA) (mainly developing and marketing inorganic materials) to prepare for smooth introduction of SAP ERP systems from April 2014
- ◆ NCA's fiscal year change
 FY2013 = from January 1, 2013 to March 31, 2014 (15 months)
 FY2014 = from April 1, 2014 to March 31, 2015 (12 months)
- ◆ Asset impairment loss of ¥0.3 billion (extraordinary losses) expected at NCA in 2H FY2013

Performance Materials – (E) Profit Overview

(¥billion)

	FY2012			FY2013 E as of Oct 2013			Change			FY2013 E as of May 2013			FY2013 E as of July 2013
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total	1HE	2HE	Total	1HE
Sales	18.8	18.6	37.4	20.6	21.9	42.5	1.8	3.3	5.1	19.6	20.3	39.9	20.4
OP	4.1	3.1	7.2	4.4	3.6	8.0	0.3	0.5	0.8	3.5	3.7	7.2	3.8

1H FY2013 Review

<vs. 1H FY2012>

- ◆ SUNEVER sales up (VA and IPS/FFS up, TN down)
- ◆ Total Semiconductors Materials sales up (BARC down, other materials up substantially)
- ◆ Sales of SNOWTEX and organo sol down
- ◆ Sales up ¥1.8billion, OP up ¥0.3billion

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ All SUNEVER products sales above expectations, 3D TV materials below expectations
- ◆ Total Semiconductors Materials sales above expectations (BARC below expectations, other materials above substantially expectations)
- ◆ Sales of SNOWTEX and organo sol below expectations
- ◆ Sales up ¥1.0billion, OP up ¥0.9billion

<vs. 1H FY2013 Outlook as of July 2013 >

- ◆ Sales of SUNEVER, BARC, other semiconductors materials above expectations, Inorganic Materials in line with expectations
- ◆ Sales up ¥0.2billion, OP up ¥0.6billion

2H FY2013 Outlook

<vs. 2H FY2012>

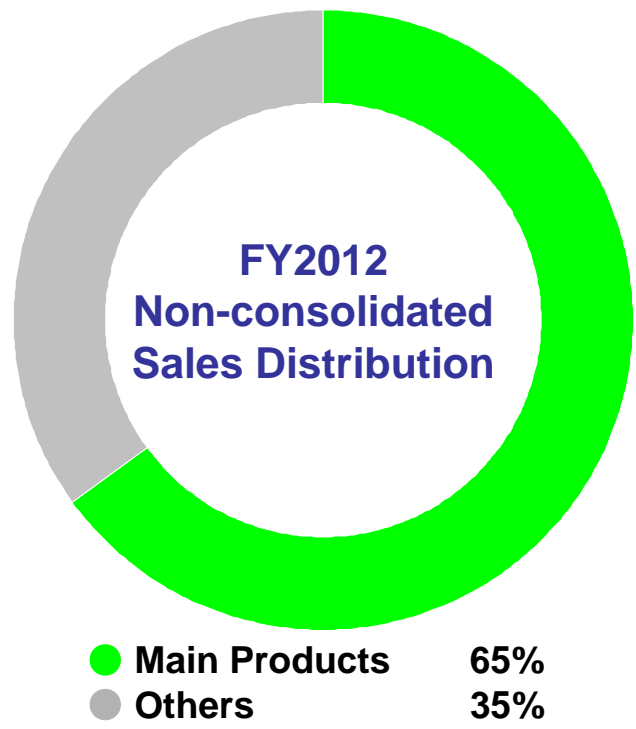
- ◆ SUNEVER sales up (IPS/FFS up, TN and VA down)
- ◆ Total Semiconductors Materials sales up (BARC up, other semiconductors materials up)
- ◆ Sales of SNOWTEX up, organo sol down
- ◆ Sales up ¥3.3billion, OP up ¥0.5billion

<vs. 2H FY2013 Outlook as of May 2013>

- ◆ SUNEVER sales above expectations (IPS/FFS above expectations, TN and VA below expectations)
- ◆ Total Semiconductors Materials sales above expectations (BARC below expectations, other materials above expectations)
- ◆ Inorganic Materials up (NCA's accounting period for this 2H changed from 6 to 9 months, see p26)
- ◆ R&D expenses up
- ◆ Sales up ¥1.6billion, OP down ¥0.1billion

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Agrochemicals – (A) Sales Distribution (before discount)



	Non-consolidated Sales YOY Change (before discount)	
	FY2012 /FY2011	FY2013E /FY2012
ROUNDUP	↗↗	↗↗
SIRIUS	↘	↘
PERMIT	↗	↗↗
PULSOR (THIFLUZAMIDE)	↗↗↗	↗
TARGA	↘↘	↗↗↗↗
STARMITE	↗↗↗↗	↗↗↗
LEIMAY	↗↗	↗↗↗↗
SANMITE	↗↗	↗↗
ALTAIR (NC-620)	↗↗↗↗	↗↗↗↗

YOY Change

+0~+5%	↗	-0~-5%	↘
+5~+10%	↗↗	-5~-10%	↘↘
+10~+15%	↗↗↗	-10~-15%	↘↘↘
+15%~	↗↗↗↗	-15%~	↘↘↘↘

◆ Main Products (in order of FY2012 sales amount):

ROUNDUP (herbicide), SIRIUS (herbicide), PERMIT (herbicide), PULSOR(THIFLUZAMIDE, fungicide), TARGA (herbicide), STARMITE (miticide), LEIMAY (fungicide), SANMITE (insecticide), ALTAIR(NC-620) (herbicide)

Agrochemicals – (B) Overview

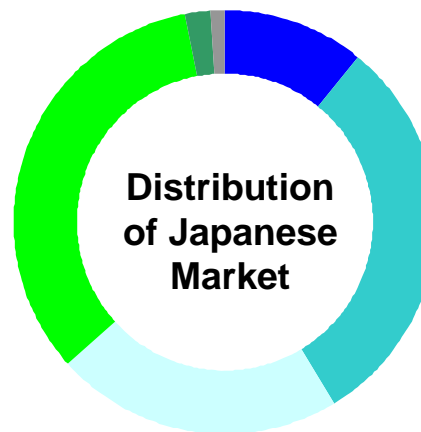
- ◆ Stable profit center
- ◆ Strengthening product portfolio by:

<ul style="list-style-type: none"> (launch) FY2008 FY2009 FY2010 FY2011 FY2012 FY2013 FY2014 FY2014-16 FY2019- 	<ul style="list-style-type: none"> (products) LEIMAY (fungicide, in-house) STARMITE (miticide, in-house) PULSOR (THIFLUZAMIDE) (fungicide, acquired from Dow) PREVATHON (insecticide, licensed from DuPont) AVH (herbicide, licensed from ZEN-NOH, Bayer and Hokko) ROUNDUP AL for general household market, growing steadily ALTAIR(NC-620) (paddy rice herbicide, in-house) launched in Korea ALTAIR(NC-620) (paddy rice herbicide, in-house) launched in Japan Bulk shipment of animal health products to licensee started in July (for pets to exterminate tick and flea, licensing product) Animal health products expected to be launched in USA and EU Fruits/vegetables/paddy rice insecticide (licensed-in product), Fruits/vegetables/tea insecticide (licensed-in product), Fruits/vegetables fungicide (licensed-in product) Insecticide (in-house) 	<ul style="list-style-type: none"> in-house developed products, acquired products, licensed-in products
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------
- ◆ Full reconstruction of Biological Research Laboratories FY2010-2015 (FY2010-12 ¥4.6 billion capex) (Main completed facilities) Fully automated chemical compounds library, weather simulation room
- ◆ 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 21% of FY2013 Outlook non-consolidated segment sales (Asia:44%, Europe,Africa:37%, North/Central/South America:19%)

Agrochemicals – (C) Non-consolidated Segment Sales (before discount)

	Non-consolidated Sales YOY Change (before discount)			
	FY2013 Outlook as of Oct 2013			FY2013 Outlook as of May 2013
	1H	2H E	FY2013 E	
ROUNDUP	+16%	+1%	+6%	-2%
Except ROUNDUP	+22%	+3%	+10%	+7%
Total Segment	+20%	+3%	+9%	+5%

	Distribution of NCI Non-consolidated Sales	
	FY2011	FY2012
Fungicide +Insecticide	2%	3%
Insecticide	18%	18%
Fungicide	13%	13%
Herbicide	65%	64%
Plant growth regulator	2%	2%
Others	1%	1%



● Fungicide +Insecticide	11%
● Insecticide	30%
● Fungicide	22%
● Herbicide	34%
● Plant growth regulator	2%
● Others	1%

※2011/10~2012/9

Agrochemicals – (D) Profit Overview

(¥billion)

	FY2012			FY2013 E as of Oct 2013			Change		
	1H	2H	Total	1H	2HE	Total	1H	2HE	Total
Sales	13.4	22.0	35.4	16.0	22.9	38.9	2.6	0.9	3.5
OP	1.3	3.7	5.0	2.4	3.8	6.2	1.1	0.1	1.2

FY2013 E as of May2013			FY2013 E as of July2013
1HE	2HE	Total	1HE
13.4	22.8	36.2	14.5
1.4	3.8	5.2	1.7

1H FY 2013 Review

<vs. 1H FY2012>

- ◆ In domestic market, sales of ROUNDUP (both ML and AL) and ALTAIR up
- ◆ Export up (mainly TARGA)
- ◆ In July, bulk shipment of the animal health product to the licensee started as scheduled
- ◆ Fixed cost up (depreciation cost of the ALTAIR plant, R&D expenses up due to accelerated pipeline development)
- ◆ Sales up ¥2.6billion, OP up ¥1.1billion

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ In domestic market, sales of ROUNDUP above expectations
- ◆ Export above expectations (mainly PULSOR, TARGA, STARMITE)
- ◆ Sales up ¥2.6billion, OP up ¥1.0billion

<vs. 1H FY2013 Outlook as of July 2013>

- ◆ In domestic market, sales of ROUNDUP above expectations
- ◆ Sales up ¥1.5billion, OP up ¥0.7billion

2H FY 2013 Outlook

<vs. 2H FY2012>

- ◆ In domestic market, sales of ALTAIR up
- ◆ Export up (mainly PERMIT, PULSOR, SANMITE, ALTAIR)
- ◆ Fixed cost up (depreciation cost of the ALTAIR plant, R&D expenses up due to accelerated pipeline development)
- ◆ Sales up ¥0.9billion, OP up ¥0.1billion

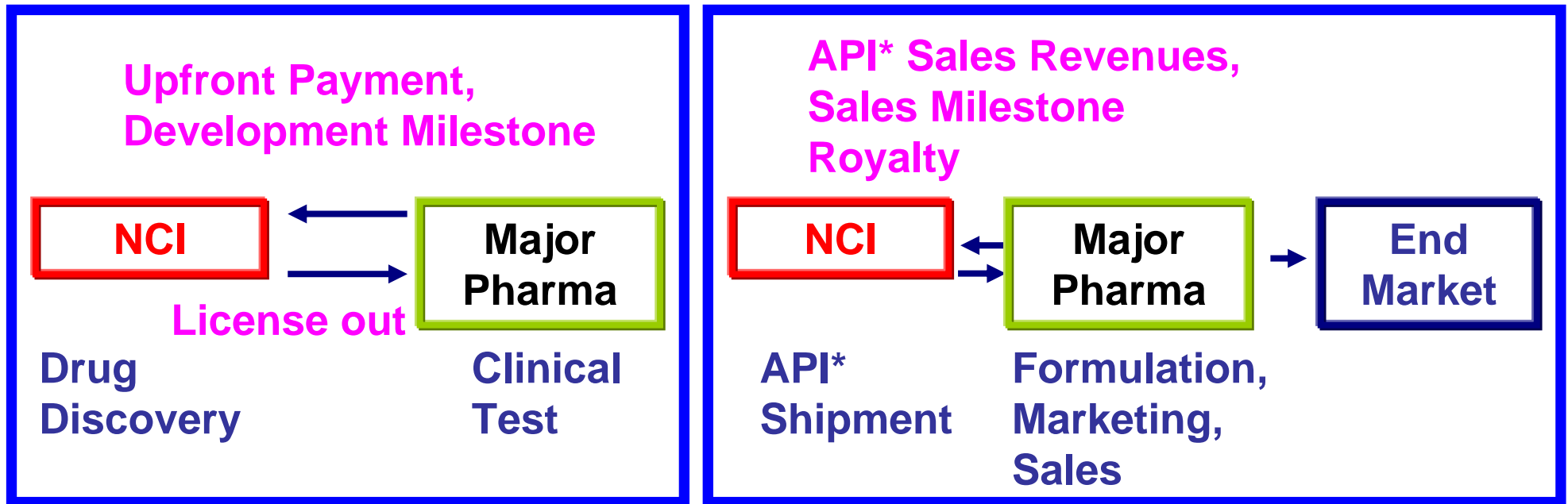
<vs. 2H FY2013 Outlook as of May 2013>

- ◆ In domestic market, sales of ROUNDUP and ALTAIR above expectations
- ◆ Export above expectations (mainly PERMIT)
- ◆ Sales up ¥0.1billion, OP in line with expectations

Pharmaceuticals – (A) NCI Business Model

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

< Before Launch > → < After Launch >



API*: Active Pharmaceutical Ingredient

Pharmaceuticals – (B) LIVALO (anti-cholesterol drug)

- ◆ Domestic market share up steadily (about 20% in FY2012)
- ◆ New plant completed in March 2011, commercial production started in May 2012
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2015)
- ◆ January - February 2013, crystalline form patents approved
- ◆ August 2013, domestic compound patent expired
- ◆ October 2013, Custom Chemicals (Custom manufacturing and process researching services for pharma from pre-clinical testing to commercial production stages) transferred from Chemical Segment to Pharma Segment (segment reporting to be changed from 3Q FY2013) to seek synergy of the two divisions

	FY2009	FY2010	FY2011	FY2012	FY2013 E	
					As of May 2013	As of Oct 2013
Domestic End Market Sales (NHI drug price, ¥billion)	41.3	45.2	50.5	51.5	53.0	53.0
Market Share (%)	14%	15%	17%	20%	20%	21%
Our Domestic and Export Sales (¥billion)	7.7	8.2	8.9	10.4	10.0	10.0

FY2012
Market share
 Crestor 34%
 Lipitor 27%
LIVALO 20%
 Mevalotin 12%

Pharmaceuticals – (C) LIVALO World Wide Strategy & Pipeline

◆ LIVALO World Wide Strategy

Country/Region	Developing Status	Launch (schedule)	Business Partner
Japan	Launched	Sep 2003	Kowa, Daiichi-Sankyo (1)
Korea	Launched	Jul 2005	JWP Pharmaceutical
Thailand	Launched	Jan 2008	Biopharm-Chemical
China	Launched	Jul 2009	Kowa Shanghai
USA	Launched	Jun 2010	Kowa(KPA) (2)
Lebanon	Launched	Mar 2011	Algorithm
Spain	Launched	May 2011	Recordati, Esteve
Portugal	Launched	Jun 2011	Recordati, Delta
Mexico	Launched	Feb 2012	Eli Lilly
Indonesia	Launched	May 2012	Indonesia Tanabe
Taiwan	Launched	Jun 2012	Taiwan Tanabe
Switzerland	Launched	Jan 2013	Eli Lilly
Ukraine	Launched	May 2013	Recordati
Brazil	Launched	Sep 2013	Eli Lilly
France	Approved	2013	Recordati
Italy	Approved	2013	Recordati

Other approved countries : Australia, Cyprus, Greece, Ireland, Turkey, Venezuela etc.

(1) As of July 2013, Kowa was the sole partner (2) As of July 2013, Eli Lilly was the sole partner

◆ Pipeline

Product	Market		Developing Status	Licensee	Expected Market Size (¥ billion)
NT-702	Japan	Intermittent claudication	Phase II	Taisho	20-30
		Asthma			20
NTC-801 (Anti-arrhythmic agent)	Japan	World wide (except Japan)	Discontinuation of clinical development No further plans for development at this time (under discussion among three companies)	Teijin	1 million patients (2015)
				BMS	8.4 million patients (2015)
NIP-022 (Platelet generating stimulator agent)			Phase I	Ono	0.35million patients (2015 in Japan)

Pharmaceuticals – (D) Profit Overview

(¥billion)

	FY2012			FY2013 E as of Oct 2013			Change		
	1H	2H	Total	1H	2H E	Total	1H	2H E	Total
Sales	5.3	5.3	10.6	5.7	4.4	10.1	0.4	-0.9	-0.5
OP	2.6	2.6	5.2	3.1	2.0	5.1	0.5	-0.6	-0.1

FY2013 E as of May 2013			FY2013 E as of July 2013
1H E	2H E	Total	1H E
5.6	4.5	10.1	5.7
2.9	2.0	4.9	3.0

1H FY2013 Review

<vs. 1H FY2012>

- ◆ LIVALO
 - Domestic sales volume up
 - Variable cost down by new plant
- ◆ No milestones
- ◆ Sales up ¥0.4billion, OP up ¥0.5billion

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ Export LIVALO sales above expectations
- ◆ Sales up ¥0.1billion, OP up ¥0.2billion

<vs. 1H FY2013 Outlook as of July 2013>

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

2H FY2013 Outlook

<vs. 2H FY2012>

- ◆ Domestic LIVALO sales down due to expiration of domestic compound patent in August 2013
- ◆ Export LIVALO sales down
- ◆ Sales down ¥0.9billion, OP down ¥0.6billion

<vs. 2H FY2013 Outlook as of May 2013>

- ◆ Domestic LIVALO sales above expectations
- ◆ Export LIVALO sales below expectations
- ◆ Sales down ¥0.1billion, OP flat

Trading – Profit Overview

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

(¥billion)

	FY2012			FY2013 E as of Oct 2013			Change			FY2013 E as of May 2013			FY2013 E as of July 2013
	1H	2H	Total	1H	2H E	Total	1H	2H E	Total	1H E	2H E	Total	1H E
Sales	22.7	23.9	46.6	24.5	25.2	49.7	1.8	1.3	3.1	23.7	25.0	48.7	23.7
OP	0.7	0.7	1.4	0.7	0.7	1.4	0.0	0.0	0.0	0.6	0.8	1.4	0.6

1H FY 2013 Review <vs. 1H FY2012>

- ◆ Sales up due to increase in trading volume related to agrochemicals and electronic materials
- ◆ Sales up ¥1.8billion, OP flat

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ Trading volume related to agrochemicals and electronic materials above expectations
- ◆ Sales up ¥0.8billion, OP up ¥0.1billion

<vs. 1H FY2013 Outlook as of July 2013>

- ◆ Sales up ¥0.8billion, OP up ¥0.1billion

2H FY 2013 Outlook <vs. 2H FY2012>

- ◆ Trading volume up
- ◆ Sales up ¥1.3billion, OP flat

<vs. 2H FY2013 Outlook as of May 2013>

- ◆ Trading volume above expectations
- ◆ Sales up ¥0.2billion, OP flat

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Capex/Depreciation/R&D by Segment

(¥billion)

	Capex(1)					Depreciation(2)					R&D expenses					% of Sales
	2009	2010	2011	2012	2013E	2009	2010	2011	2012	2013E	2009	2010	2011	2012	2013E	
Chem	-	1.9	1.6	1.0	1.2	-	3.4	2.5	2.0	1.8	-	0.8	0.8	0.7	0.7	1.9%
Performance M.	-	3.7	2.2	3.1	3.6	-	4.1	4.3	3.7	3.3	-	5.6	6.2	6.5	6.5	15.3%
Agro	-	0.4	2.1	2.5	1.0	-	1.9	1.8	1.9	2.1	-	2.6	2.8	3.0	3.5	9.0%
Pharma	-	2.4	1.7	0.7	0.3	-	0.3	1.0	1.1	0.9	-	2.4	2.5	2.3	2.3	22.8%
Trading	-	0.2	0.1	0.0	0.1	-	0.1	0.1	0.1	0.1	-	0.0	0.0	0.0	0.0	0.0%
Others	-	1.0	0.6	0.8	0.9	-	0.6	0.8	0.7	0.4	-	1.2	1.3	1.2	1.2	-
Total	10.1	9.6	8.3	8.1	7.1	11.0	10.4	10.5	9.5	8.6	13.1	12.6	13.6	13.7	14.2	
R&D expenses/Sales (%)											8.8%	8.2%	9.2%	8.9%	8.7%	

(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 1st year)

Other products - 8 year declining balance method

(25.0% of initial capex amount in the 1st year)

R&D Personnel (Sept. 2013) -①	413
Total Professionals (Sept. 2013) -②	1,036
①/②	40%

※Parent company only

FY2012 and 2013 Main Capex Items (Approval basis)

(¥billion)

FY2012		FY2013 E as of Oct 2013	
High purity ammonia	0.3	Chemical Research Lab. (Instruments)	0.8
SUNEVER(NCK)	1.4	Electronic Materials Lab. (Instruments)	0.8
BARC(NCK)	1.2	Biological Research Lab.	0.3
Advanced Materials Research Lab. (Building)	3.4	Biological Research Lab. (Instruments)	0.3
Electronic Materials Lab. (Instruments)	0.8		
Biological Research Lab.	0.9		

NCK=Korean subsidiary

Financial Strategy – (A) 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 all 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	6,000	22,635
Shares issued at FY end (thousand shares)	184,635	181,000	174,000	174,000	171,000	171,000	165,000	
Treasury share at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	
Dividend (¥ billion)	3.7	3.6	3.8	4.2	4.1	4.1	4.3	
Dividend (¥ / Share)	20	20	22	24	24	24	26	
Total payout ratio (dividend + purchase of treasury shares) (%)	61	56	117	32	53	37	67	

Financial Strategy – (B) 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)

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(A) Financial Targets

(¥billion)

1. PL	FY2012	FY2015
Sales	153.8	180.0
Operating Profit	19.5	26.0
Ordinary Income	20.5	26.5
Net Income	13.9	18.5
EPS(¥)	84.00	113.00

(¥billion)

2. Segment	Sales		Operating Profit	
	FY2012	FY2015	FY2012	FY2015
Chemicals and others (1)	70.4	77.5	2.1	3.6
Performance Materials	37.4	53.8	7.2	11.3
Agro	35.4	40.8	5.0	7.6
Pharma	10.6	7.9	5.2	3.5
Total	153.8	180.0	19.5	26.0

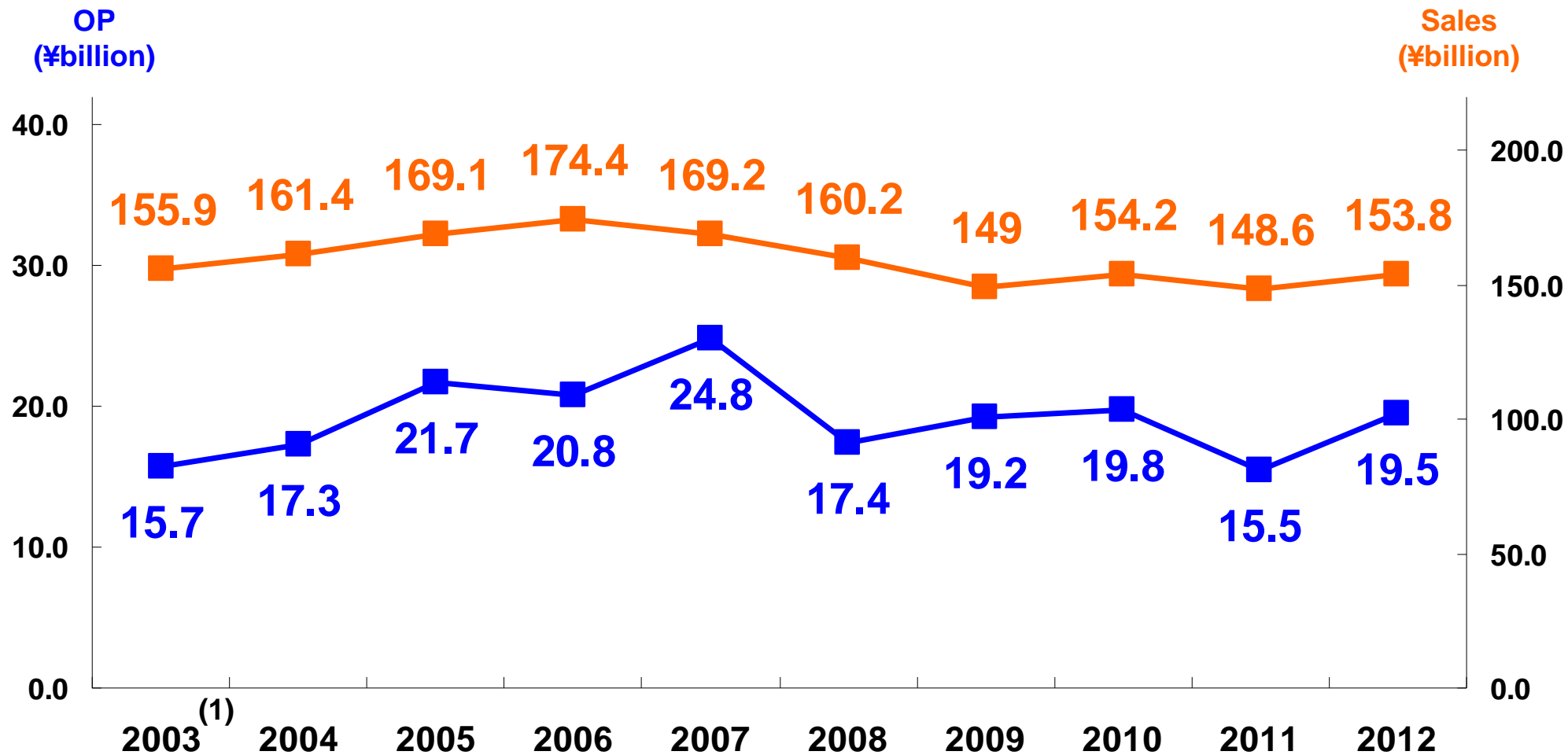
(1) "Chemicals and others" including Chemicals segment, Trading segment, Others segment and Adjustment

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(B) Financial Indicators

- ◆ **Highest importance on ROE as well as OP margin**
 - ROE : FY2015 Target 13.4%**
 - OP margin : FY2015 Target 14.4%**
- ◆ **Dividend payout ratio above 30%**
 - **In addition, continue to purchase treasury shares timely**
- ◆ **Maintain R&D expenses/sales above 9%**

Long-term Financial Performance Trend



(1) 2003 = From April 1, 2003 to March 31, 2004

Long Term Financial Performance Trend

(¥ billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8
Operating Profit	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5	19.5
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9	29.0
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%
ROE(%)	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%
EPS(¥)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26
Purchase of treasury shares	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0
Net Assets	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6	126.7
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9
Liabilities with interest	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9	38.1
D/E ratio (1)	78.0%	53.7%	38.5%	23.2%	27.2%	37.1%	26.0%	16.9%	9.3%	5.0%
Equity ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	8.1
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5
R&D Expenses	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6	13.7
R&D Expenses/Sales(%)	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%
Number of employees (parent company)	1,505	1,502	1,502	1,558	1,614	1,657	1,710	1,750	1,730	1,726

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

Sales and Operating Profit by New Segmentation

(¥billion)

		FY2010		FY2011		FY2012		FY2013E	
SALES (A)	Chemicals	38.1	24.7%	36.9	24.8%	36.6	23.8%	37.8	23.3%
	Performance M.	38.0	24.6%	34.0	22.9%	37.4	24.3%	42.5	26.2%
	Agro	34.4	22.3%	33.8	22.7%	35.4	23.0%	38.9	23.9%
	Pharma	9.6	6.2%	10.0	6.7%	10.6	6.9%	10.1	6.2%
	Trading	44.1	28.6%	44.8	30.1%	46.6	30.3%	49.7	30.6%
	Others	27.0	17.5%	20.0	13.5%	21.2	13.8%	21.0	12.9%
	Adjustment	-37.0	-24.0%	-30.9	-20.8%	-34.0	-22.1%	-37.5	-23.1%
	Total	154.2	100%	148.6	100%	153.8	100%	162.5	100%

OP (B)	Chemicals	2.4	12.1%	1.6	10.3%	1.9	9.7%	2.4	10.9%
	Performance M.	7.9	39.9%	4.8	31.0%	7.2	36.9%	8.0	36.4%
	Agro	4.8	24.2%	4.4	28.4%	5.0	25.6%	6.2	28.2%
	Pharma	4.4	22.2%	4.6	29.7%	5.2	26.7%	5.1	23.2%
	Trading	1.4	7.1%	1.3	8.4%	1.4	7.2%	1.4	6.4%
	Others	1.0	5.1%	0.3	1.9%	0.7	3.6%	0.7	3.2%
	Adjustment	-2.1	-10.6%	-1.5	-9.7%	-1.9	-9.7%	-1.8	-8.2%
	Total	19.8	100%	15.5	100%	19.5	100%	22.0	100%

OP Margin (C) = (B)/(A)	Chemicals	6.3%	4.3%	5.2%	6.3%
	Performance M.	20.8%	14.1%	19.3%	18.8%
	Agro	14.0%	13.0%	14.1%	15.9%
	Pharma	45.8%	46.0%	49.1%	50.5%
	Trading	3.2%	2.9%	3.0%	2.8%
	Others	3.7%	1.5%	3.3%	3.3%
	Total	12.9%	10.4%	12.7%	13.5%

		FY2011		FY2012	
Segment Assets (D)	Chemicals	31.6	16.6%	30.3	15.2%
	Performance M.	31.5	16.6%	34.3	17.2%
	Agro	44.6	23.5%	46.7	23.4%
	Pharma	12.4	6.5%	11.3	5.7%
	Trading	16.5	8.7%	17.3	8.7%
	Others	9.5	5.0%	9.2	4.6%
	Common Assets	44.0	23.1%	50.1	25.2%
	Total	190.1	100%	199.2	100%

ROA (E) = (B)/(D)	Chemicals	5.0%	6.3%
	Performance M.	15.2%	20.9%
	Agro	9.9%	10.8%
	Pharma	37.1%	46.4%
	Trading	7.9%	7.8%
	Others	3.2%	7.5%
	Total	8.1%	9.8%

Pro Forma Sales and Operating Profit by Former Segmentation⁽¹⁾

(¥ 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, FY2006 sales ¥27.7 billion)

FY2011- 2Q FY2013 Quarterly Sales by Segment

(¥billion)

	FY2011					FY2012					FY2013	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	9.4	9.2	9.0	9.3	36.9	9.1	8.8	8.9	9.8	36.6	9.5	9.1
Fine Chemicals	3.0	2.9	2.4	2.6	10.9	2.9	2.7	2.4	3.2	11.2	2.9	3.1
Basic Chemicals	6.4	6.3	6.6	6.7	26.0	6.2	6.1	6.5	6.6	25.4	6.6	6.0
Performance Materials	8.7	8.3	8.6	8.4	34.0	9.5	9.3	9.5	9.1	37.4	10.3	10.3
Agro	7.1	5.4	3.7	17.6	33.8	8.3	5.1	4.6	17.4	35.4	9.9	6.1
Pharma	2.9	2.3	2.4	2.4	10.0	3.5	1.8	3.1	2.2	10.6	2.9	2.8
Trading	11.6	10.9	10.8	11.5	44.8	11.9	10.8	12.5	11.4	46.6	12.7	11.8
Others	4.6	4.7	4.3	6.4	20.0	3.9	6.3	4.6	6.4	21.2	4.6	5.1
Adjustment	-7.7	-7.6	-7.3	-8.3	-30.9	-7.8	-9.4	-8.6	-8.2	-34.0	-9.7	-9.0
Total	36.6	33.2	31.5	47.3	148.6	38.4	32.7	34.6	48.1	153.8	40.2	36.2

FY2011- 2Q FY2013 Quarterly OP by Segment

(¥billion)

	FY2011					FY2012					FY2013	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	1.0	-0.2	0.6	0.2	1.6	0.8	0.0	0.4	0.7	1.9	0.8	0.0
Performance Materials	1.7	0.9	1.1	1.1	4.8	2.1	2.0	1.6	1.5	7.2	2.1	2.3
Agro	1.2	-0.4	-1.5	5.1	4.4	1.6	-0.3	-1.1	4.8	5.0	2.3	0.1
Pharma	1.4	1.2	1.0	1.0	4.6	1.9	0.7	1.6	1.0	5.2	1.6	1.5
Trading	0.4	0.3	0.3	0.3	1.3	0.4	0.3	0.4	0.3	1.4	0.4	0.3
Others	0.0	0.0	-0.1	0.4	0.3	-0.1	0.2	0.1	0.5	0.7	0.1	0.1
Adjustment	-0.5	-0.4	-0.4	-0.2	-1.5	-0.4	-0.6	-0.5	-0.4	-1.9	-0.6	-0.4
Total	5.2	1.4	1.0	7.9	15.5	6.3	2.3	2.5	8.4	19.5	6.7	3.9
OP Margin	14.3%	4.0%	3.4%	16.6%	10.4%	16.5%	6.8%	7.5%	17.4%	12.7%	16.7%	10.6%

FY2009- 10 Quarterly Sales by Segment

(Former Segmentation)

(¥billion)

	FY2009					FY2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	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
Electronic Materials	6.4	6.8	6.8	6.6	26.6	7.3	6.4	6.3	6.2	26.2
Agro	8.0	3.7	3.7	18.4	33.8	6.9	5.1	4.4	18.0	34.4
Pharma	2.2	2.8	2.9	1.6	9.5	2.5	2.3	2.1	2.7	9.6
Trading	10.3	9.8	10.4	10.8	41.3	10.7	10.5	11.8	11.1	44.1
Others	8.2	5.1	7.0	7.1	27.4	6.5	4.6	4.3	11.6	27.0
Adjustment	-11.1	-7.5	-9.1	-8.0	-35.7	-7.6	-7.6	-8.6	-12.9	-36.7
Total	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
Total	5.3	2.5	2.4	9.0	19.2	5.8	2.5	2.2	9.3	19.8

Main Products by Segment (New Segmentation)

Segment	Products	Main Applications
Chem	◆ Fine Chemicals 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
	◆ Basic Chemicals 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	◆ Electronic Materials SUNEVER BARC Multi layer process materials NHC Micro lens	LCD alignment coating bottom anti-reflective coating for semiconductors multi layer process material for semiconductors(Si-HM/SOC) protective coating for touch panel microlens material for image sensor application
	◆ Inorganic Materials 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	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE ◆ Fungicide 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	◆ Organic Materials TEPIC Custom Chemicals Melamine cyanurate	epoxy compound for LED sealants, solder resist, painting custom manufacturing and process services for pharmaceutical companies flame retardant
	◆ Inorganic Materials 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
	◆ Basic Chemicals 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	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE ◆ Fungicide 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	

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.

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