

November 4, 2016

**Nissan Chemical,
- where unique & solution meet**

Presentation for Investors

1H FY2016 (April 1 – September 30, 2016) Financial Results

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Director and Senior Executive Vice President**

Translation of presentation materials for the investor meeting held in Tokyo on November 4, 2016



NISSAN CHEMICAL INDUSTRIES, LTD.

1H FY2016 PL

(¥billion)

	1H FY2015	1H FY2016	Change	Change (%)	1H FY2016 Outlook as of May 2016
Sales	83.7	Record 84.5	+0.8	+1.0%	86.0
Operating Profit	14.3	Record 14.7	+0.4	+3.3%	13.3
Non-Operating Income/Expenses	0.8	-0.5	-1.3	-160.4%	0.0
Ordinary Income	15.1	14.2	-0.9	-6.1%	13.3
Extraordinary Income/Loss	0.0	0.0	+0.0	-	0.0
Net Income (1)	11.1	10.6	-0.5	-4.9%	10.2
EBITDA (2)	18.7	18.8	+0.1	+0.5%	17.6
EPS (¥)	71.21	69.00	-2.21	-3.1%	66.56
Dividend (¥/share)	18	24	+6		24
Total amount of Dividend	2.8	3.7	+0.9		3.7
OP Margin	17.0%	17.4%	+0.4%		15.5%
FX Rate (¥/\$)	122	105			115
Naphtha (¥/KL) (3)	48,000	31,400			35,400
Comprehensive Income	9.6	7.4			

(1) Net income = Profit Attributable to Owners of Parent

(2) EBITDA = Operating Profit + Depreciation

(3) Based on Trade Statistics of Japan Ministry of Finance (1H FY2016: Based on actual April-September data)

1H FY2016 Review

<vs. 1H FY2015>

(Sales) ◆Up ¥0.8 billion (+1%)

(+) Agrochemicals, Trading

(±) Pharmaceuticals

(-) Chemicals, Performance Materials

(OP) ◆Up ¥0.4 billion (+3%)

(+) Agrochemicals

(±) Pharmaceuticals

(-) Chemicals, Performance Materials, Trading

(Non-Operating Income and Expenses) ◆Down ¥1.3 billion

(Ordinary Income) ◆Down ¥0.9 billion (-6%)

(Net Income) ◆Down ¥0.5 billion (-5%)

(EPS) ◆Down ¥2.21 (-3%)

Sales, OP renewed the highest results for 1H

<vs. 1H FY2016 Outlook as of May 2016>

(Sales) ◆Down ¥1.5 billion

(+) Agrochemicals, Pharmaceuticals

(-) Chemicals, Performance Materials, Trading

(OP) ◆Up ¥1.4 billion

(+) Performance Materials, Agrochemicals, Pharmaceuticals

(-) Chemicals, Trading

(Ordinary Income) ◆Up ¥0.9 billion

(Net Income) ◆Up ¥0.4 billion

(EPS) ◆Up ¥2.44

<Shareholders Return>

(Dividend) ◆ 1H ¥24/share, 2H ¥26/share
(1H up ¥6, 2H flat vs. FY2015)
(1H, 2H flat vs. FY2016E as of May 2016)

(Share Repurchase) ◆ ¥5.0 billion, 2 million shares completed in August 2016
(Cancelled 1 million shares in May 2016, 1 million shares in August 2016)

1H FY2016

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

(¥billion)

	1H FY2015	1H FY2016	Change
Non-Operating Income	1.57	0.89	-0.68
Interest income, dividend income	0.25	0.30	+0.05
Share of profit of entities accounted for using equity method	0.45	0.15	-0.30
Foreign exchange gains	0.13	0.00	-0.13
Others	0.74	0.44	-0.30
Non-Operating Expenses	0.71	1.41	+0.70
Interest expense	0.11	0.09	-0.02
Foreign exchange losses	0.00	0.63	+0.63
Loss on disposal of fixed assets	0.13	0.26	+0.13
Others	0.47	0.43	-0.04
Extraordinary Income	-	-	-
Extraordinary Loss	-	-	-
Comprehensive Income	9.56	7.44	-2.12
Net income	11.15	10.60	-0.55
Non-controlling interests	0.10	0.07	-0.03
Unrealized gains or losses on investment securities	-1.24	-2.32	-1.08
Foreign currency translation adjustments	-0.41	-0.87	-0.46
Remeasurements of defined benefit plans	-0.04	-0.04	+0.00

1H FY2016 Cash Flow

(¥billion)

	1H FY2015	1H FY2016
CF from operating activities	27.6	29.4
Profit before income tax	15.1	14.2
Depreciation & amortization	4.4	4.1
Tax	-4.0	-4.9
Working capital, others	12.1	16.0
CF from investing activities	-4.7	-4.5
Purchase of PPE	-4.3	-5.3
Others	-0.4	0.8
CF from financing activities	-27.3	-26.6
Dividends paid	-3.5	-4.0
Borrowings	-17.7	-17.5
Share repurchase	-6.0	-5.0
Others	-0.1	-0.1
Effect of FX rate changes on cash & cash equivalents	-0.2	-0.3
Change in cash & cash equivalents	-4.6	-2.0
Cash & cash equivalents at end of period	26.9	33.3

Balance Sheets as of September 30, 2016

(¥billion)

	2015/9	2016/3 (A)	2016/9 (B)	Change (B) - (A)
Current assets	115.9	142.2	120.4	-21.8
Cash	26.9	35.3	33.3	-2.0
Accounts receivable	43.4	57.6	43.6	-14.0
Inventories	38.1	38.5	36.8	-1.7
Others	7.5	10.8	6.7	-4.1
Fixed assets	89.6	86.0	84.3	-1.7
Total PPE	47.0	47.5	48.6	+1.1
Intangible assets	5.0	0.9	1.5	+0.6
Investment securities	33.5	33.3	28.7	-4.6
Others	4.1	4.3	5.5	+1.2
Total assets	205.5	228.2	204.7	-23.5

	2015/9	2016/3 (A)	2016/9 (B)	Change (B) - (A)
Liabilities	54.7	71.3	49.7	-21.6
Accounts payable	13.6	15.4	13.1	-2.3
Borrowings	17.4	33.1	15.5	-17.6
Others	23.7	22.8	21.1	-1.7
Net assets	150.8	156.9	155.0	-1.9
Shareholders' equity	138.8	144.2	145.6	+1.4
Unrealized gains or losses on investment securities	9.4	10.5	8.2	-2.3
Foreign currency translation adjustments	0.5	0.2	-0.7	-0.9
Non-controlling interests	1.5	1.5	1.5	+0.0
Remeasurements of defined benefit plans	0.6	0.5	0.4	-0.1
Total liabilities & Net assets	205.5	228.2	204.7	-23.5

- Equity Ratio 72.7% 68.1% 75.0%
- D/E Ratio (1) -6.9% -1.6% -12.2%
- Change in shareholders' equity +1.4
= Net Income 10.6 - Dividend and others 9.2

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

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FY2016 Outlook

(¥billion)

	FY2015 Actual			FY2016 Outlook as of Nov. 2016			Change			Change (%)	FY2016 Outlook as of May 2016		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total		Total	1H	2H
Sales	83.7	93.2	176.9	84.5	96.0	Record 180.5	+0.8	+2.8	+3.6	+2%	86.0	101.5	187.5
Operating Profit	14.3	14.3	28.6	14.7	15.2	Record 29.9	+0.4	+0.9	+1.3	+5%	13.3	16.4	29.7
Non-Operating Income/Expenses	0.8	0.1	0.9	-0.5	0.3	-0.2	-1.3	+0.2	-1.1	-122%	0.0	0.7	0.7
Ordinary Income	15.1	14.4	29.5	14.2	15.5	Record 29.7	-0.9	+1.1	+0.2	+1%	13.3	17.1	30.4
Extraordinary Income/Loss (1)	0.0	-1.2	-1.2	0.0	0.0	0.0	+0.0	+1.2	+1.2	-	0.0	0.0	0.0
Net Income (2)	11.1	11.3	22.4	10.6	11.9	Record 22.5	-0.5	+0.6	+0.1	+1%	10.2	12.8	23.0
EBITDA (3)	18.7	19.6	38.3	18.8	20.8	39.6	+0.1	+1.2	+1.3	+3%	17.6	22.1	39.7
EPS (¥/share) (4)	71.21	72.16	143.37	69.00	77.88	146.88	-2.21	+5.72	+3.51	+2%	66.56	83.80	150.36
Dividend (¥/share)	18	26	44	24	26	50	+6	+0	+6		24	26	50
Total amount of Dividend (4)	2.8	4.0	6.8	3.7	3.9	7.6	+0.9	-0.1	+0.8		3.7	3.9	7.6
OP Margin	17.0%	15.4%	16.2%	17.4%	15.8%	16.6%	+0.4%	+0.4%	+0.4%		15.5%	16.2%	15.8%
ROE (4)	-	-	14.6%	-	-	14.2%			-0.4%		-	-	14.3%
FX Rate (¥/\$)	122	118		105	105						115	115	
Naphtha (¥/kl)	48,000	37,700		31,400	34,400						35,400	35,400	
Comprehensive Income	9.6	11.9	21.5	7.4									

(1) FY2015 Actual: Gain on sales of investment securities+3.0, Impairment loss(TMAT*) -3.9,
Provision for loss on business of an affiliated company (Ammonia Terminal Company, Ltd**) -0.3

(2) Net income = Profit Attributable to Owners of Parent

(3) EBITDA = Operating Profit + Depreciation

(4) FY2016 Outlook including effects of FY2016 share repurchase program ended on August, 2016

TMAT* (consolidated subsidiary)

=Thin Materials AG(Germany) 100% subsidiary of Nissan Chem
Temporary bonding materials for 3D packaging for semis

Ammonia Terminal Company, Ltd** (affiliated company)

=Joint venture company owned by Sumitomo Chem(40%),
Showa Denko(30%) and Nissan Chem(30%)

2H FY2016 Outlook

<vs. 2H FY2015> (Sales) ◆Up ¥2.8 billion (+3%)

(+) Performance Materials, Agrochemicals, Trading

(±) Chemicals

(-) Pharmaceuticals

(OP) ◆Up ¥0.9 billion (+6%)

(+) Agrochemicals, Trading

(-) Chemicals, Performance Materials, Pharmaceuticals

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

(Ordinary Income) ◆Up ¥1.1 billion (+8%)

(Net Income) ◆Up ¥0.6 billion (+6%)

(EPS) ◆Up ¥5.72 (+7.9%)

<vs. 2H FY2016 Outlook as of May 2016>

(Sales) ◆Down ¥5.5 billion

(-) Chemicals, Performance Materials, Agrochemicals, Pharmaceuticals, Trading

(OP) ◆Down ¥1.2 billion

(+) Agrochemicals, Trading

(Ordinary Income) ◆Down ¥1.6 billion

(-) Chemicals, Performance Materials, Pharmaceuticals

(Net Income) ◆Down ¥0.9 billion

(EPS) ◆Down ¥5.92

<Shareholders Return>

(Dividend) ◆ 1H ¥24/share, 2H ¥26/share
(1H up ¥6, 2H flat vs. FY2015)
(1H, 2H flat vs. FY2016E as of May 2016)

Full Year FY2016 Outlook

<vs. FY2015>	(Sales) ◆Up	¥3.6 billion (+2%)	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
	(OP) ◆Up	¥1.3 billion (+5%)	(+) Agrochemicals, Trading (-) Chemicals, Performance Materials, Pharmaceuticals
(Non-Operating Income and Expenses)	◆Down	¥1.1 billion	
(Ordinary Income)	◆Up	¥0.2 billion (+1%)	
(Net Income)	◆Up	¥0.1 billion (+1%)	
(EPS)	◆Up	¥3.51 (+2%)	
(ROE)	◆14.2%	(-0.4%)	

Sales, OP, Ordinary Income, Net Income expected to renew the highest results

<vs. FY2016 Outlook as of May 2016>	(Sales) ◆Down	¥7.0 billion	(+) Agrochemicals, Pharmaceuticals (-) Chemicals, Performance Materials, Trading
	(OP) ◆Up	¥0.2 billion	(+) Agrochemicals (±) Performance Materials, Pharmaceuticals, Trading (-) Chemicals
(Ordinary Income)	◆Down	¥0.7 billion	
(Net Income)	◆Down	¥0.5 billion	
(EPS)	◆Down	¥3.48	
(ROE)	◆14.2%	(-0.1%)	

<Shareholders Return>

(Dividend)	◆1H ¥24/share, 2H ¥26/share (1H up ¥6, 2H flat vs. FY2015) (1H, 2H flat vs. FY2016E as of May 2016)
(Share Repurchase)	◆¥5.0 billion, 2 million shares completed in August 2016 (Cancelled 1 million shares in May 2016, 1 million shares in August 2016)
(Total Shareholders Return Target)	◆ 70% (56% based on the above Share Repurchase and Dividend)

FY2016 Outlook

Non-Operating Income/Expenses, Extraordinary Income/Loss

(¥billion)

	FY2015 Actual	FY2016 Outlook as of Nov. 2016	Change	FY2016 Outlook as of May. 2016
Non-Operating Income	2.48	1.97	-0.51	1.84
Interest income, dividend income	0.60	0.63	+0.03	0.59
Share of profit of entities accounted for using equity method	0.86	0.60	-0.26	0.70
Foreign exchange gains	0.00	0.00	+0.00	0.00
Others	1.02	0.74	-0.28	0.55
Non-Operating Expenses	1.56	2.21	+0.65	1.18
Interest expense	0.19	0.16	-0.03	0.20
Loss on disposal of fixed assets	0.32	0.73	+0.41	0.64
Loss on foreign exchange	0.17	0.63	+0.46	0.00
Others	0.88	0.69	-0.19	0.34
Extraordinary Income	3.08	0.00	-3.08	0.00
Extraordinary Loss	4.25	0.00	-4.25	0.00

FY2016 Cash Flow Outlook

(¥billion)

	FY2015 Actual	FY2016 Outlook as of Nov. 2016	FY2016 Outlook as of May 2016
CF from operating activities	30.0	31.4	30.9
Profit before income tax	28.4	29.7	30.3
Gain on sales of investment securities	-3.0	-0.2	0.0
Impairment loss	3.9	0.0	0.0
Provision for loss on business of associates	0.3	0.0	0.0
Depreciation & Amortization	9.7	9.7	10.0
Tax	-7.4	-8.9	-9.2
Working capital, others	-1.9	1.1	-0.2
CF from investing activities	-8.4	-16.6	-14.4
Purchase of PPE	-9.1	-17.6	-17.1
Purchase and sales of investment securities	1.9	2.7	2.7
Others	-1.2	-1.7	0.0
CF from financing activities	-17.3	-14.8	-14.7
Dividends paid	-6.3	-7.7	-7.7
Borrowings	-1.9	-2.0	-2.0
Share repurchase	-9.0	-5.0	-5.0
Others	-0.1	-0.1	0.0
Effect of FX rate changes on cash & cash equivalents	-0.3	0.0	0.0
Change in cash & cash equivalents	4.0	0.0	1.8
Cash & cash equivalents at end of period	35.3	35.3	37.1

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FY2016 Sales Outlook by Segment⁽¹⁾

(¥billion)

	FY2015 Actual			FY2016 Outlook as of Nov. 2016			Change			Change (%)			FY2016 Outlook as of May 2016		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total
Chem	16.7	17.6	34.3	16.5	17.6	34.1	-0.2	+0.0	-0.2	-1%	-0%	-1%	17.5	17.9	35.4
Fine	5.5	5.1	10.6	5.3	5.0	10.3	-0.2	-0.1	-0.3	-3%	-3%	-3%	5.7	5.2	10.9
Basic	11.2	12.5	23.7	11.2	12.6	23.8	+0.0	+0.1	+0.1	-0%	+1%	+0%	11.8	12.7	24.5
Performance	26.0	25.8	51.8	25.5	27.0	52.5	-0.5	+1.2	+0.7	-2%	+5%	+1%	26.6	28.7	55.3
Agro	21.1	26.4	47.5	24.0	28.2	52.2	+2.9	+1.8	+4.7	+13%	+7%	+10%	22.3	29.8	52.1
Pharma	3.7	5.0	8.7	3.7	3.9	7.6	+0.0	-1.1	-1.1	-1%	-21%	-12%	3.4	4.0	7.4
Trading	27.5	28.1	55.6	27.6	30.6	58.2	+0.1	+2.5	+2.6	+0%	+9%	+5%	28.8	31.2	60.0
Others	8.9	12.0	20.9	8.6	14.8	23.4	-0.3	+2.8	+2.5	-3%	+23%	+12%	8.8	14.4	23.2
Adjustment	-20.2	-21.7	-41.9	-21.4	-26.1	-47.5	-1.2	-4.4	-5.6	-	-	-	-21.4	-24.5	-45.9
Total	83.7	93.2	176.9	84.5	96.0	180.5	+0.8	+2.8	+3.6	+1%	+3%	+2%	86.0	101.5	187.5

(1) Including inter-segment sales/transfers

FY2016 OP Outlook by Segment

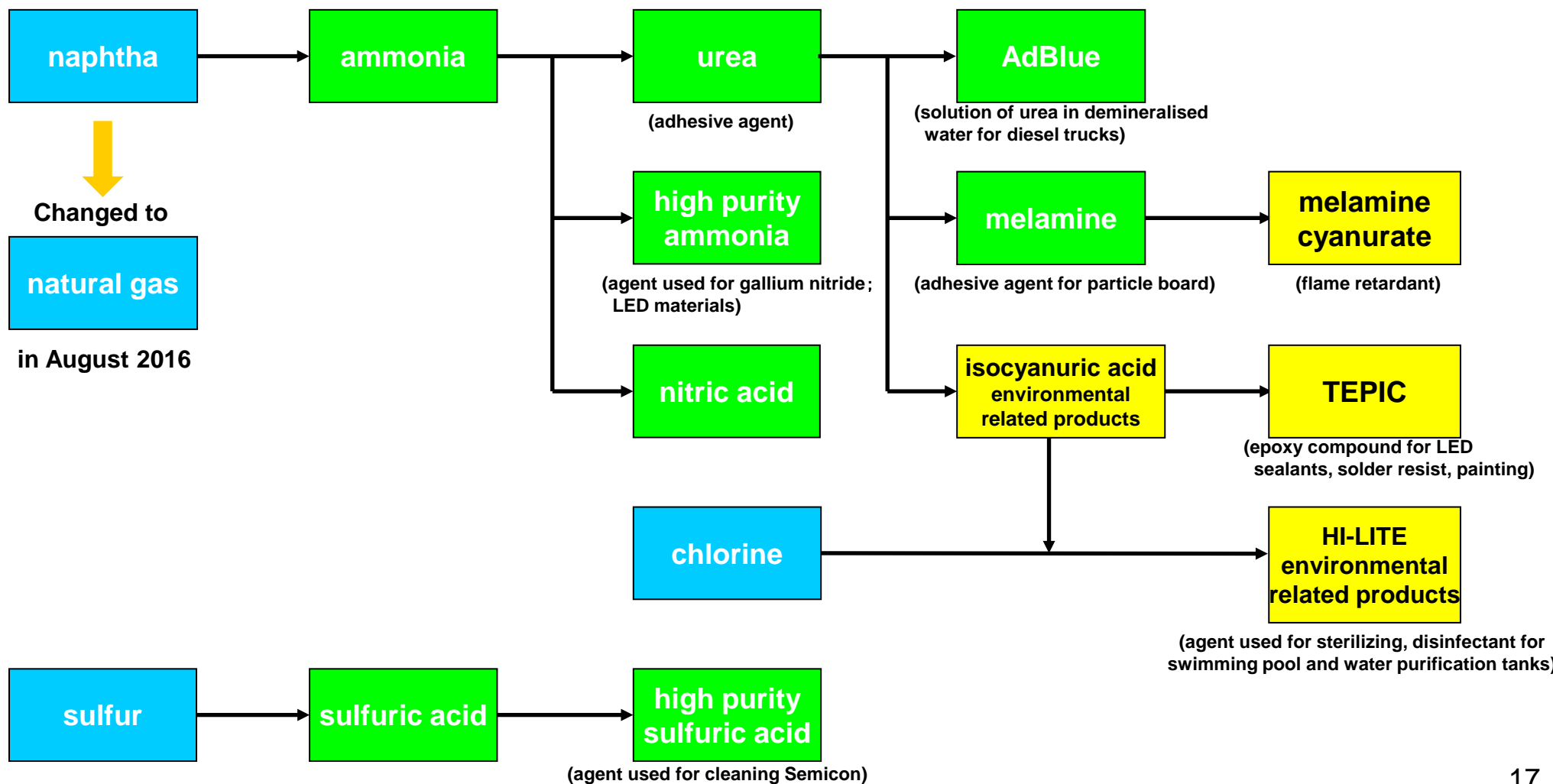
(¥billion)

	FY2015 Actual			FY2016 Outlook as of Nov. 2016			Change			Change (%)			FY2016 Outlook as of May 2016		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total
Chem	1.4	2.5	3.9	1.3	2.4	3.7	-0.1	-0.1	-0.2	-6%	-6%	-6%	1.6	3.3	4.9
Performance	6.3	5.7	12.0	6.2	5.5	11.7	-0.1	-0.2	-0.3	-3%	-3%	-3%	5.8	5.9	11.7
Agro	6.2	4.6	10.8	6.9	5.9	12.8	+0.7	+1.3	+2.0	+10%	+29%	+18%	5.8	5.5	11.3
Pharma	0.6	1.4	2.0	0.6	0.8	1.4	+0.0	-0.6	-0.6	+0%	-44%	-30%	0.4	1.0	1.4
Trading	0.9	0.9	1.8	0.8	1.1	1.9	-0.1	+0.2	+0.1	-2%	+11%	+5%	0.9	1.0	1.9
Others	0.0	0.5	0.5	0.0	0.7	0.7	+0.0	+0.2	+0.2	-143%	+36%	+47%	0.0	0.8	0.8
Adjustment	-1.1	-1.3	-2.4	-1.1	-1.2	-2.3	+0.0	+0.1	+0.1	-	-	-	-1.2	-1.1	-2.3
Total	14.3	14.3	28.6	14.7	15.2	29.9	+0.4	+0.9	+1.3	+3%	+6%	+5%	13.3	16.4	29.7

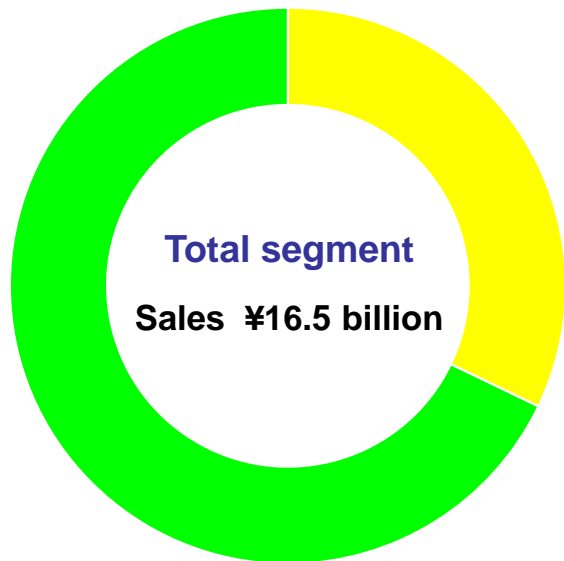
Chemicals – (A) Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2015 ammonia domestic production capacity share 11%, high percentage of self-consumption of ammonia

 = Purchased materials
 = Basic Chemicals
 = Fine Chemicals

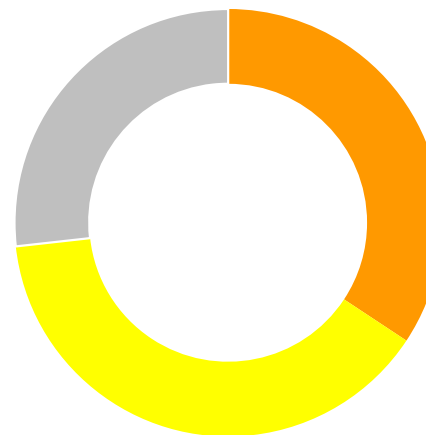


Chemicals – (B) 1H FY2016 Sales Distribution



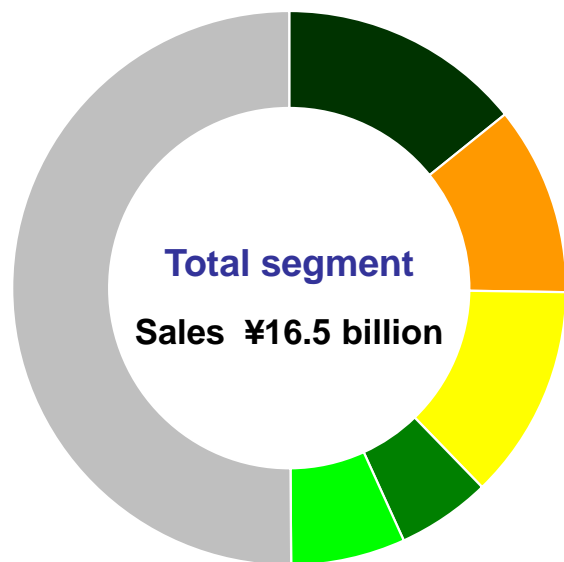
● Fine Chemicals 32%
● Basic Chemicals 68%

Fine Chemicals
Sales ¥5.3 billion



Main Products	73%
Others	27%

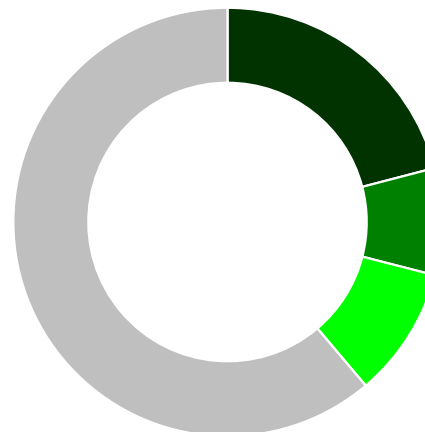
● TEPIC
● Environmental related products
● Others



Main Products	50%
Others	50%

< Main Products >
● Melamine
● TEPIC
● Environmental related products
● High purity sulfuric acid
● Urea/AdBlue
● Others

Basic Chemicals
Sales ¥11.2 billion

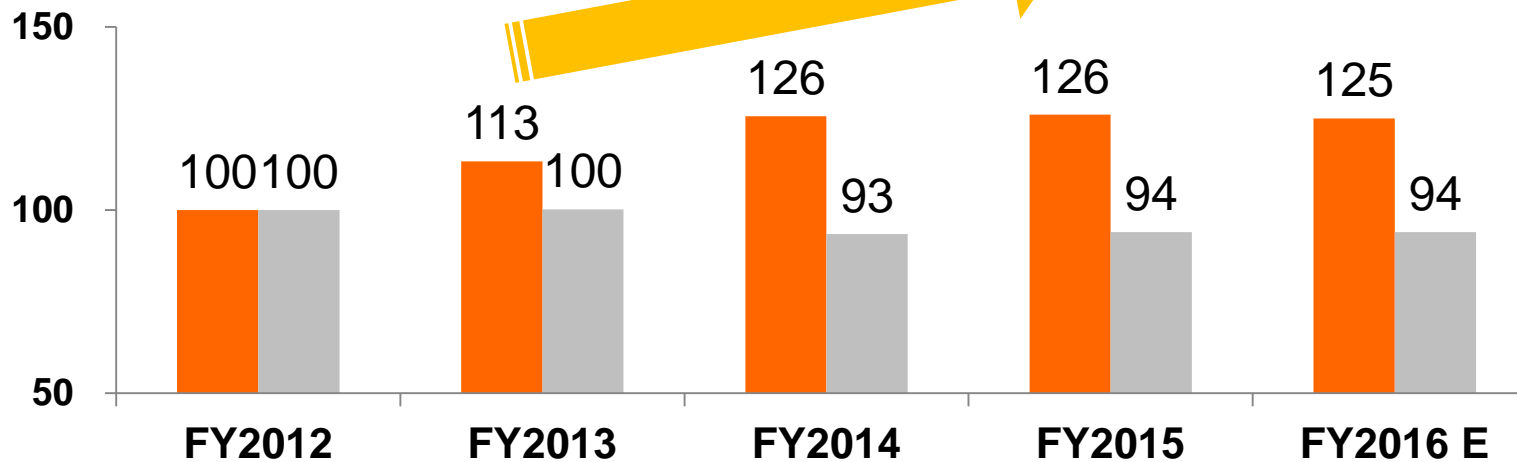


Main Products	39%
Others	61%

● Melamine
● High purity sulfuric acid
● Urea/AdBlue
● Others

Chemicals – (C) Growing Products

◆ Sales (FY2012=100)



■ Growing Products

TEPIC
FINEOXOCOL
AdBlue
High purity ammonia
Melamine cyanurate
etc.

■ Matured Products

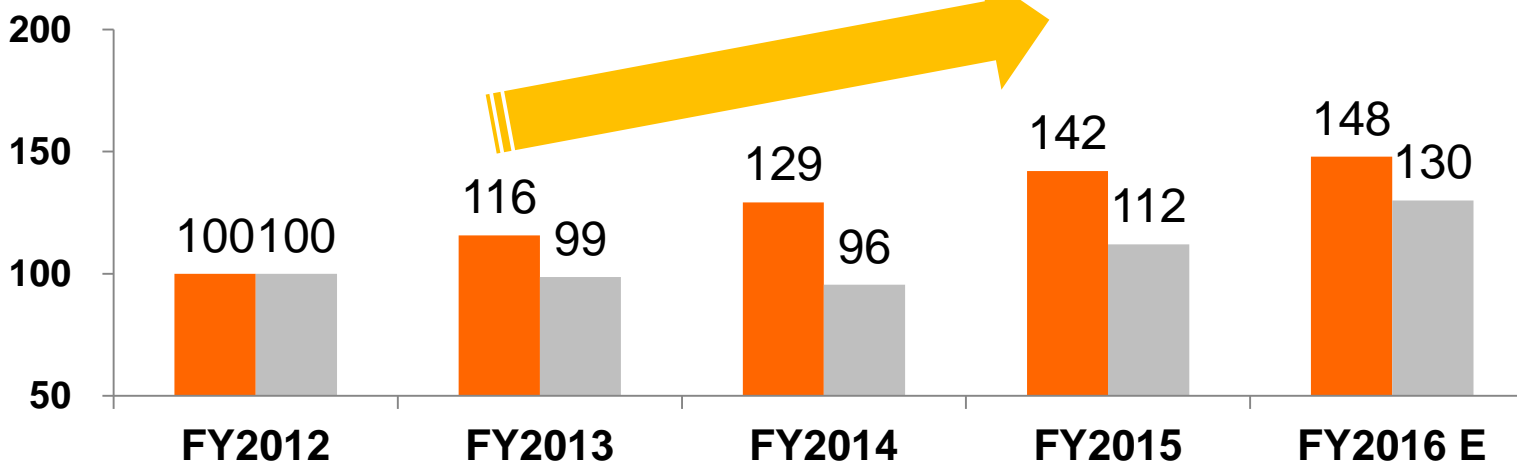
Melamine
Ammonia
Urea
Nitric acid
etc.

Growing Products'

% of Total Sales

21 23 26 26 26

◆ Marginal Profit (1) (FY2012=100)



(1) Marginal Profit : Sales – Variable Cost

Chemicals – (D-1) Production Capacity

◆ Production Capacity (FY2012 Production Capacity = 100)

		FY2012	FY2013	FY2014	FY2015	
Growing Products	TEPIC	100	→		120	
	AdBlue [Number of Plants(1)]	100 [2]	→	150 [4]	→	160 [5]
	High purity ammonia	100	→	250		
Matured Products	Ammonia	100	→	80		
	Nitric acid	100	→	80		

} Increasing
} Decreasing

(1) Including subcontractors

◆ Completed Cost Saving Investments at Toyama Ammonia Related Plants

Construction Cost: ¥0.5 billion

Cost Savings: ¥0.2-0.3billion/year

Contents: Utility and manpower savings

◆ Ammonia Feedstock Change Project

See Page D-2

Chemicals – (D-2)

Ammonia Feedstock Change Project

◆Project:

Change of feedstock for ammonia production at Toyama Plant from naphtha to natural gas

◆Purpose:

To pursue more stable profitability from ammonia and its derivative products by using natural gas

◆Construction Cost:

¥ 1.09 billion

◆Completion Period:

Completed in August 2016 as scheduled

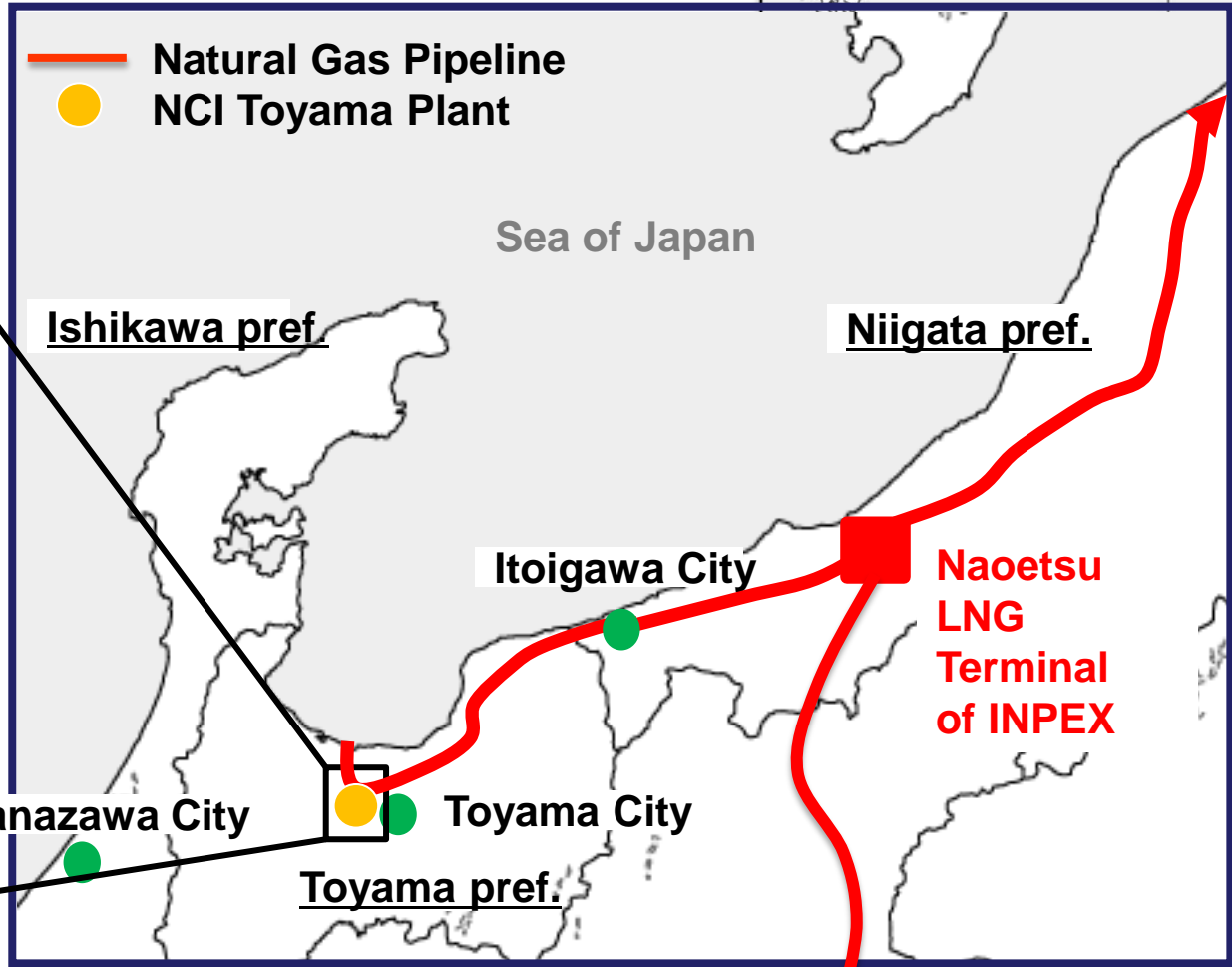
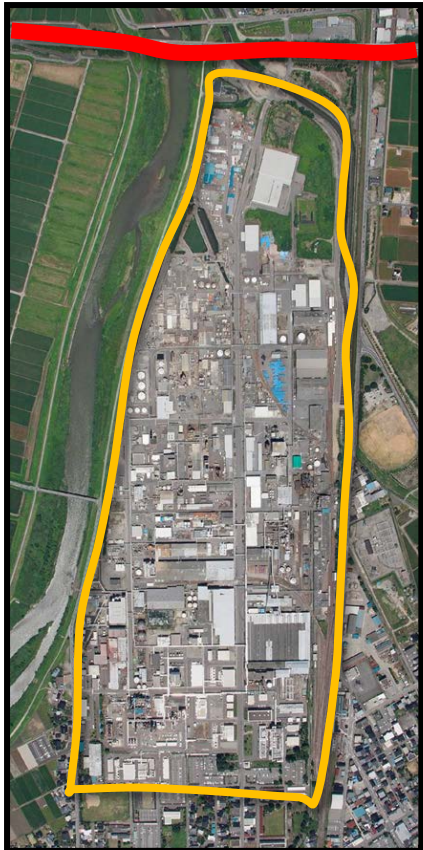
◆Extraordinary Loss:

Extraordinary loss of ¥ 704 million incurred in 3Q FY2014 (fiscal year ending in March 2015) as cost for dismantling the existing naphtha pipeline after completion of the project

Chemicals – (D-3)

Ammonia Feedstock Change Project

— Natural Gas Pipeline
— NCI Toyama Plant



Chemicals – (E) Fine Chemicals Subsegment

1H FY2016 Sales Review

<vs. 1H FY2015>

- ◆ TEPIC : Sales for general applications down due to strong yen, sales for electronic materials up
- ◆ Environmental related products : Domestic sales up, export sales down

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ TEPIC : Both applications below target
- ◆ Environmental related products : Domestic sales above target, export sales below target

2H FY2016 Sales Outlook

<vs. 2H FY2015>

- ◆ TEPIC : Sales for general applications up, sales for electronic materials down
- ◆ Environmental related products : Domestic sales up, export sales flat

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ TEPIC : Sales for general applications below target, sales for electronic materials in line with target
- ◆ Environmental related products : Domestic and export sales below target

Main Products		Sales YOY Change								
		FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		+4%	-3%	+1%	+4%	+3%	+3%	-3%	-3%	-3%
TEPIC	◆ Epoxy compound for : (A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint ◆ World largest producer	-8%	-17%	-12%	+9%	+9%	+9%	-9%	+2%	-4%
Environmental related products	◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank	+18%	+9%	+14%	+0%	+0%	+4%	+2%	+5%	+3%

Two products account for 72% of total consolidated subsegment sales (FY2015)

Chemicals – (F) Basic Chemicals Subsegment

1H FY2016 Sales Review

<vs. 1H FY2015>

- ◆ Melamine : Domestic sales down, export sales up
- ◆ Urea/AdBlue : Urea flat, AdBlue up
- ◆ High purity sulfuric acid : Flat

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ Melamine : Domestic sales below target, export sales above target
- ◆ Urea/AdBlue : Both urea and AdBlue below target
- ◆ High purity sulfuric acid : Below target due to lower consumption by domestic semis customers

2H FY2016 Sales Outlook

<vs. 2H FY2015>

- ◆ Melamine : Both domestic and export sales down
- ◆ Urea/AdBlue : Urea down, AdBlue up
- ◆ High purity sulfuric acid : Up

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ Melamine : Domestic sales below target, export sales above target
- ◆ Urea/AdBlue : Both urea and AdBlue in line with target
- ◆ High purity sulfuric acid : Below target

Main Products		Sales YOY Change								
		FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		-2%	+2%	+0%	+5%	+2%	+3%	-0%	+1%	+0%
Melamine	◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood	+11%	+15%	+13%	-1%	-11%	-6%	+1%	-7%	-3%
Urea/AdBlue	◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox	+7%	+13%	+10%	+11%	+2%	+7%	+2%	+1%	+1%
High purity sulfuric acid	◆ Used to clean semiconductors ◆ Largest in domestic market	-12%	-3%	-8%	+5%	+8%	+7%	-1%	+4%	+2%

Three products account for 39% of total consolidated subsegment sales(FY2015)

Chemicals – (G) Profit Overview

(¥billion)

	FY2015 Actual (A)			FY2016 Outlook as of May 2016			FY2016 Outlook(B) as of Nov. 2016			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	16.7	17.6	34.3	17.5	17.9	35.4	16.5	17.6	34.1	-0.2	+0.0	-0.2	-1%	-0%	-1%
Fine	5.5	5.1	10.6	5.7	5.3	10.9	5.3	5.0	10.3	-0.2	-0.1	-0.3	-3%	-3%	-3%
Basic	11.2	12.5	23.7	11.8	12.6	24.5	11.2	12.6	23.8	+0.0	+0.1	+0.1	-0%	+1%	+0%
OP	1.4	2.5	3.9	1.6	3.3	4.9	1.3	2.4	3.7	-0.1	-0.1	-0.2	-6%	-6%	-6%

1H FY2016 Review

<vs. 1H FY2015>

(Fine Chemicals)

- ◆ Environmental related products sales up, TEPIC sales down
- ◆ Inventory adjustment cost up
- ◆ Sales down, OP down

(Basic Chemicals)

- ◆ Sales of melamine and urea including AdBlue up, high purity sulfuric acid down
- ◆ Fuel cost down
- ◆ Sales flat, OP up

(Total Segment)

- ◆ Sales down ¥0.2billion, OP down ¥0.1billion

<vs. 1H FY2016 Outlook as of May 2016>

(Fine Chemicals)

- ◆ Environmental related products sales above target
- ◆ TEPIC sales below target
- ◆ Strong yen
- ◆ Sales below target, OP below target

(Basic Chemicals)

- ◆ Sales of melamine above target, sales of urea including AdBlue and high purity sulfuric acid below target
- ◆ Strong yen
- ◆ Fuel cost lower than expectations
- ◆ Sales below target, OP below target

(Total Segment)

- ◆ Sales down ¥1.0billion, OP down ¥0.3billion

2H FY2016 Outlook

<vs. 2H FY2015>

(Fine Chemicals)

- ◆ Environmental related products sales up, TEPIC sales up
- ◆ Fuel cost down
- ◆ Sales down, OP up

(Basic Chemicals)

- ◆ Sales of melamine down
- ◆ Sales of urea including AdBlue and high purity sulfuric acid up
- ◆ Sales up, OP down

(Total Segment)

- ◆ Sales flat, OP down ¥0.1billion

<vs. 2H FY2016 Outlook as of May 2016>

(Fine Chemicals)

- ◆ Sales of environmental related products and TEPIC below target
- ◆ Strong yen
- ◆ Inventory adjustment cost up
- ◆ Sales below target, OP below target

(Basic Chemicals)

- ◆ Sales of melamine above target
- ◆ Sales of urea including AdBlue in line with target
- ◆ Sales of high purity sulfuric below target
- ◆ Strong yen
- ◆ Inventory adjustment cost up
- ◆ Sales below target, OP below target

(Total Segment)

- ◆ Sales down ¥0.3billion, OP down ¥0.9billion

(Blank)

Performance Materials – (A) Display Materials

1H FY2016 Sales Review

<vs. 1H FY2015>

- ◆ SUNEVER up 4%
- ◆ IPS/FFS up, TN and VA down
- ◆ Photo-alignment IPS SUNEVER sales increasing substantially

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ SUNEVER above target
- ◆ IPS/FFS above target, TN and VA below target

2H FY2016 Sales Outlook

<vs. 2H FY2015>

- ◆ SUNEVER up +2%
- ◆ IPS/FFS and VA up, TN down
- ◆ Photo-alignment IPS SUNEVER sales increasing substantially

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ SUNEVER below target
- ◆ TN, VA and IPS/FFS below target

Main Products	Sales YOY Change								
	FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total SUNEVER	+18%	+9%	+13%	+3%	+7%	+5%	+4%	+2%	+3%
Other Display Materials (1)	+1%	+15%	+7%	+80%	+189%	+136%	-3%	+35%	+16%
Total Display Materials	+18%	+9%	+13%	+4%	+9%	+7%	+4%	+3%	+3%

(1) NHC(protective coating for touch panels), 3D TV materials, Elsource (hole injection layer materials for OLED),etc

- ◆ Purchased patents and expertise of OLED hole injection and hole transport materials from Solvay (September 2016)

Performance Materials – (B) Semis Materials

1H FY2016 Sales Review

<vs. 1H FY2015>

◆ Total Semis Materials sales down -6%

KrF, ArF and other semis materials down

<vs. 1H FY2016 Outlook as of May 2016>

◆ Total Semis Materials sales below target

KrF above target, ArF and other semis materials below target

2H FY2016 Sales Outlook

<vs. 2H FY2015>

◆ Total Semis Materials sales up +11%

KrF, ArF and other semis materials up

<vs. 2H FY2016 Outlook as of May 2016>

◆ Total Semis Materials sales below target

KrF, ArF and other semis materials below target

Main Products		Sales YOY Change								
		FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
KrF		+1%	-7%	-3%	-9%	+4%	-3%	-8%	+3%	-3%
ArF		+3%	+5%	+4%	+7%	+15%	+11%	-1%	+6%	+2%
Bottom anti-reflective coating (ARC®) Total		+2%	-0%	+1%	+0%	+11%	+6%	-3%	+5%	+1%
Other Semis Materials (1)		-23%	-22%	-23%	+6%	+58%	+31%	-15%	+36%	+10%
Total Semis Materials		-4%	-5%	-5%	+2%	+20%	+11%	-6%	+11%	+3%

(1) Multi layer process materials (OptiStack®), microlens materials, etc

◆ Semiconductor capex plan to capture long-term future business:

Main capex (approval basis): FY2014 Analyzing and evaluation R&D equipment (¥1.1 billion)

FY2015 Product development facilities(¥2.8 billion),

Analyzing and evaluation R&D equipment (¥0.8 billion),

Production capacity expansion (¥0.8 billion), NCK (¥0.7 billion)

FY2016 NCK production capacity expansion (¥3.2 billion),

Analyzing and evaluation R&D equipment (¥1.0 billion)

Performance Materials – (C-1) Inorganic Materials

High performance
inorganic colloidal materials

SNOWTEX

colloidal silica
(water dispersed
silica sol)

Alumina sol

water dispersed
alumina hydrate sol

SUNCOLLOID

high-refractive index
metal oxide sol

Celnax

zinc antimonate sol

Organo sol

organic solvent dispersed
silica sol

< SNOWTEX Characteristics >

High transparency
High hydrophilicity
High heat resistance
High electro-conductivity
High hardness
Control refractive index
Increase friction
Increase bonding
Increase viscosity

< SNOWTEX Key functions >

Polishing

Coating

Binding

< Application Examples >

•Polishing

silicon wafer,
aluminum/glass
hard discs

•Coating for

special steel sheet,
plastic optical
lenses,
metals, plastic films

•Binding

catalyst carrier,
ceramics

Performance Materials – (C-2) SNOWTEX, Organo sol

1H FY2016 Sales Review

<vs. 1H FY2015>

- ◆ SNOWTEX : Down (sales for polishing materials down, sales for non-polishing materials up)
- ◆ Organo sol : Down

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ SNOWTEX : Above target (sales for polishing materials and non-polishing materials above target)
- ◆ Organo sol : Above target

2H FY2016 Sales Outlook

<vs. 2H FY2015>

- ◆ SNOWTEX : Up (sales for polishing materials flat, sales for non-polishing materials up)
- ◆ Organo sol : Flat

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ SNOWTEX : Above target (sales for polishing materials and non-polishing materials above target)
- ◆ Organo sol : Above target

Main Products		Sales YOY Change (1)								
		FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
SNOWTEX	◆ Mainly Used for : (A) polishing materials (silicon wafer, aluminum and glass hard disk), (B) non-polishing materials (NOx reduction catalyst, automobile catalyst, special steel sheet)	+4%	+1%	+2%	-5%	-3%	-4%	-4%	+2%	-1%
Organo sol	◆ Used for : hard coating materials, electronic information materials	+18%	-4%	+6%	-11%	-8%	-10%	-7%	-1%	-4%

(1) Non-consolidated basis

Performance Materials – (D) Profit Overview

(¥billion)

	FY2015 Actual (A)			FY2016 Outlook as of May 2016			FY2016 Outlook(B) as of Nov. 2016			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	26.0	25.8	51.8	26.6	28.7	55.3	25.5	27.0	52.5	-0.5	+1.2	+0.7	-2%	+5%	+1%
OP	6.3	5.7	12.0	5.8	5.9	11.7	6.2	5.5	11.7	-0.1	-0.2	-0.3	-3%	-3%	-3%

1H FY2016 Review

<vs. 1H FY2015>

- ◆ SUNEVER sales up (IPS/FFS up, TN and VA down)
- ◆ Total Semis Materials sales down
(KrF, ArF and other semis materials down)
- ◆ Inorganic Materials sales down
(SNOWTEX and Organo sol down)
- ◆ Fixed cost up ¥0.4billion
- ◆ Sales down ¥0.5billion, OP down ¥0.1billion

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ SUNEVER sales above target
(IPS/FFS above target, TN and VA below target)
- ◆ Total Semis Materials sales below target
(KrF above target, ArF and other semis materials below target)
- ◆ Inorganic Materials sales below target
(SNOWTEX and Organo sol above target)
- ◆ Fixed cost down ¥0.4billion
- ◆ Sales down ¥1.1billion, OP up ¥0.4billion

2H FY2016 Outlook

<vs. 2H FY2015>

- ◆ SUNEVER sales up (IPS/FFS and VA up, TN down)
- ◆ Total Semis Materials sales up
(KrF, ArF and other semis materials up)
- ◆ Inorganic Materials sales up
(SNOWTEX up, Organo sol down)
- ◆ Fixed cost up ¥1.0billion
- ◆ Sales up ¥1.2billion, OP down ¥0.2billion

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ SUNEVER sales below target
(TN, VA and IPS/FFS below target)
- ◆ Total Semis Materials sales below target
(KrF, ArF and other semis materials below target)
- ◆ Inorganic Materials sales below target
(SNOWTEX and Organo sol above target)
- ◆ Fixed cost down ¥0.1billion
- ◆ Sales down ¥1.7billion, OP down ¥0.4billion

(Blank)

Agrochemicals – (A) Sales YOY Change (Before Discount)

		Non-consolidated Sales YOY Change				
Main Products (in order of FY2015 sales amount)		FY2015 /FY2014	FY2016E /FY2015 as of May 2016	FY2016E /FY2015 as of Nov. 2016		
ROUNDUP	herbicide	↘	↗	↗ ↗ ↗		
ALTAR (NC-620)	herbicide	↗ ↗ ↗ ↗	↗ ↗ ↗ ↗	↗ ↗ ↗ ↗		
TARGA	herbicide	↘	↗ ↗ ↗ ↗	↗		
PERMIT	herbicide	↘ ↘ ↘ ↘	↘	↘ ↘ ↘ ↘		
SIRIUS	herbicide	↘ ↘ ↘ ↘	↗ ↗	↘ ↘ ↘		
PULSOR (THIFLUZAMIDE)	fungicide	↗	↗ ↗ ↗ ↗	↘ ↘ ↘		
LEIMAY/ORACLE	fungicide	↗ ↗ ↗ ↗	↗ ↗ ↗ ↗	↗ ↗ ↗		
STARMITE	miticide	↘	↘ ↘ ↘ ↘	↘ ↘ ↘ ↘		
SANMITE	insecticide	↘ ↘	↘	↘		

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

Agrochemicals – (B) Overview

- ◆ Transforming from a stable profit sector into a high growth sector driven by ALTAIR (new paddy rice herbicide), ROUNDUP and FLURALANER
- ◆ Strengthening product portfolio by: in-house developed products, acquired products, licensed-in products

(launch)	(products)
FY2002	ROUNDUP (herbicide, acquired domestic business from Monsanto)
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) ROUNDUP AL for general household shower-type herbicide market, growing sharply
FY2011-12	ALTAIR (paddy rice herbicide, in-house) launched in Korea in FY2011 and in Japan in FY2012
FY2013	Shipment of fluralaner to MSD started in July as scheduled
FY2014	BRAVECTO launched in several countries in EU in April and in the USA in June by MSD EXIREL/PYROSSO (CYAZYPYR) launched (insecticide, licensed from DuPont)
FY2015	BRAVECTO launched in Japan in July by Intervet K.K. TREFANOCIDE (herbicide, acquired by Gowan from Dow, exclusive sales right in Japan transferred to NCI)
FY2017-18	ISOCLAST (SULFOXAFLOL) (insecticide, licensed from Dow) ISOPYRAZAM (fungicide, licensed from Syngenta)
FY2019	Insecticide (in-house)
FY2022	General fungicide (in-house)

MSD: MSD Animal Health, the global animal health business unit of Merck
Intervet K.K: a Japanese subsidiary of MSD

- ◆ Full reconstruction of Biological Research Laboratories for Agro and Pharma segments
FY2010-2017 Total capex ¥6.4 billion (FY2015-2017 last phase ¥1.3 billion)
- ◆ Acquired 3% share of IHARABRÁS (leading agro company in Brazil) in September 2011
- ◆ Established subsidiaries in China (April 2014) and Brazil (August 2016)
for sales support and new product development
- ◆ Export sales account for 31% of FY2015 non-consolidated segment sales
(Asia:30%, Europe/Africa:52%, North/Central/South America:18%) *Including Fluralaner

Agrochemicals – (C) Fluralaner

◆ Fluralaner

Invented by NCI and supplied to MSD as the active pharmaceutical ingredient of BRAVECTO

◆ BRAVECTO

*Developed by MSD Animal Health

*Veterinary medical product (chewable tablets) providing unique immediate and persistent tick and flea killing activity for dogs for 12 weeks, longer than currently available once-monthly commercialized products

*Launched by MSD in Germany, Spain, Italy, France, the Netherlands and the United Kingdom in April 2014, and in the USA in June 2014 (at present, launched in about 70 countries)

*Launched by Intervet K.K. in Japan in July 2015

*BRAVECTO Spot-On Solution for dogs and cats approved in EU in May and in USA in July

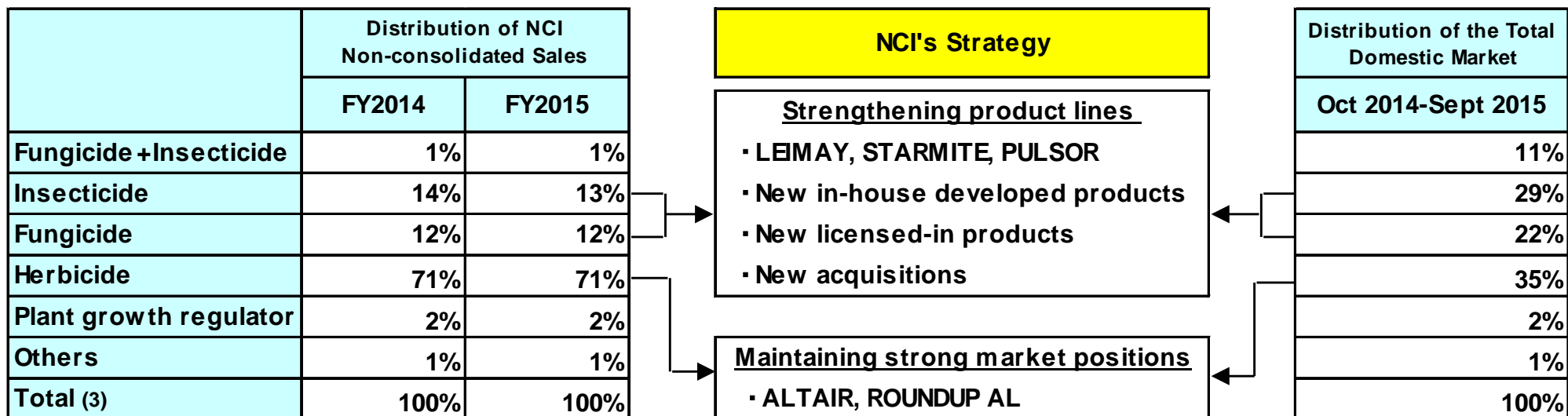
*BRAVECTO Spot-On Solution for cats launched in EU in July 2016 and USA in October 2016

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

	Non-consolidated Sales YOY Change										
	FY2013 Actual	FY2014 Actual	FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
	Total	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
ROUNDUP	-0%	+17%	+2%	-3%	-0%	+6%	+5%	+5%	+20%	+7%	+13%
(ROUNDUP AL(1))	(+66%)	(+59%)	(+27%)	(+62%)	(+36%)	(+11%)	(-31%)	(-1%)	(+26%)	(+4%)	(+20%)
Others(2)	+14%	+13%	+18%	-2%	+5%	+7%	+12%	+10%	+12%	+6%	+8%
Total Segment	+11%	+14%	+14%	-2%	+4%	+7%	+11%	+9%	+14%	+6%	+9%

(1) ROUNDUP for general household, launched in FY2010, accounting for 15% of FY2015 ROUNDUP sales

(2) Including Fluralaner



(3) Excluding Fluralaner

Agrochemicals – (E) Profit Overview

(¥billion)

	FY2015 Actual (A)			FY2016 Outlook as of May 2016			FY2016 Outlook(B) as of Nov. 2016			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	21.1	26.4	47.5	22.3	29.8	52.1	24.0	28.2	52.2	+2.9	+1.8	+4.7	+13%	+7%	+10%
OP	6.2	4.6	10.8	5.8	5.5	11.3	6.9	5.9	12.8	+0.7	+1.3	+2.0	+10%	+29%	+18%

1H FY 2016 Review

<vs. 1H FY2015>

- ◆ Sales up : Fluralaner, ROUNDUP (ML, AL), ALTAIR, TARGA(export), TREFANOCIDE
- ◆ Sales down : PERMIT (export), PULSOR (export), STARMITE, SIRIUS
- ◆ Fixed cost up
- ◆ Inventory adjustment cost up ¥0.4billion
- ◆ Sales up ¥2.9billion, OP up ¥0.7billion

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ Sales above target : Fluralaner, ROUNDUP (ML, AL), ALTAIR
- ◆ Sales below target : PERMIT (export), PULSOR (export), SIRIUS, ISOCLAST
- ◆ Fixed cost down
- ◆ Inventory adjustment cost up ¥0.2billion
- ◆ Sales up ¥1.7billion, OP up ¥1.1billion

2H FY 2016 Outlook

<vs. 2H FY2015>

- ◆ Sales up : Fluralaner, ROUNDUP (ML, AL), ALTAIR, TREFANOCIDE, LEIMAY
- ◆ Sales down : TARGA (export), PERMIT (export), SIRIUS
- ◆ Fixed cost down
- ◆ Inventory adjustment cost up ¥0.5billion
- ◆ Sales up ¥1.8billion, OP up ¥1.3billion

<vs. 2H FY2016 Outlook as of May 2016>

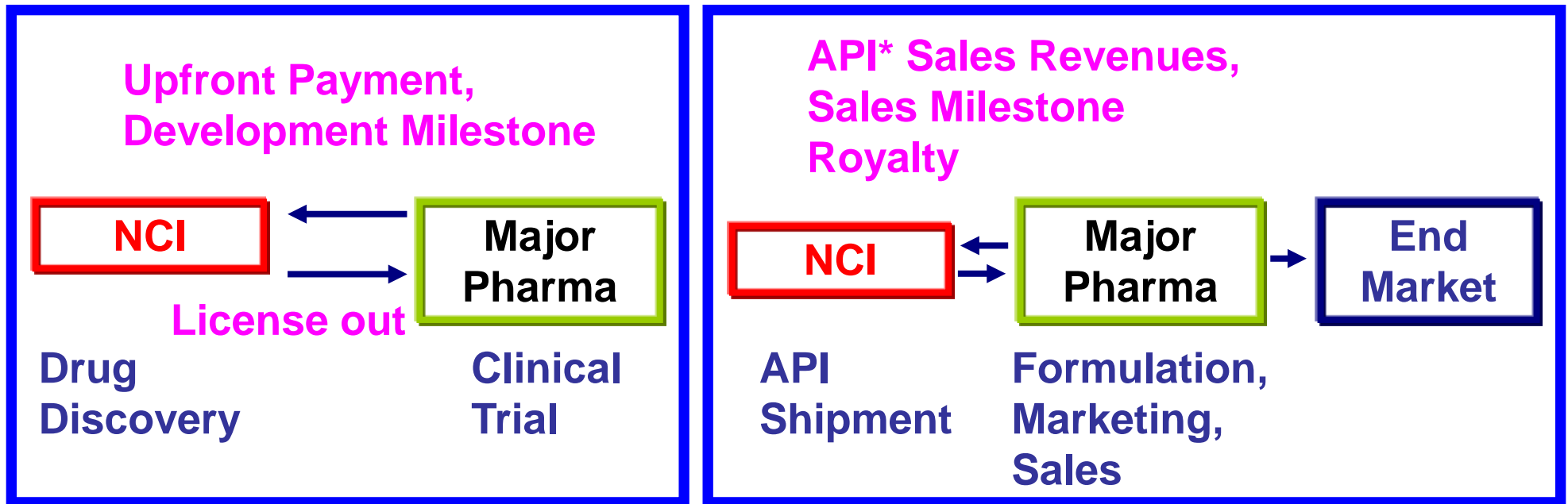
- ◆ Sales above target : ALTAIR, ROUNDUP (AL), STARMITE (export)
- ◆ Sales below target : TARGA (export), Fluralaner, SIRIUS, PULSOR (export), ISOCLAST
- ◆ Fixed cost down
- ◆ Inventory adjustment cost up ¥0.2billion
- ◆ Sales down ¥1.6billion, OP up ¥0.4billion

(Blank)

Pharmaceuticals – (A) NCI Business Model

- ◆ Unique ethical pharma business model without sales force

< Before Launch > → < After Launch >



API*: Active Pharmaceutical Ingredient

Pharmaceuticals – (B) LIVALO (Anti-Cholesterol Drug)

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Outlook as of May 2016	FY2016 Outlook as of Nov. 2016
Domestic End Market Sales (NHI drug price basis, ¥billion)	52.6	34.5	29.7	-	-
Domestic End Market Share (1)	21%	16%	15%	-	-
Our Domestic and Export API Sales (¥billion)	10.2	6.9	5.8	4.7	5.1
Our Domestic and Export API Sales YOY Change (Our Domestic API Sales YOY Change)	-2% (-2%)	-32% (-46%)	-15% (-27%)	-19% (-37%)	-13% (-41%)

(1) Excluding generic

- ◆ August 2013, domestic compound patent expired
- ◆ April 2014, filed complaints against certain companies in USA which had submitted Abbreviated New Drug Application(ANDA) with FDA
- ◆ Domestic market share 15% in FY2015
- ◆ FY2016 NHI drug price cut about -7~-9%
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2017)

FY2015 Domestic Market Share(1)	
Crestor	53%
Lipitor	18%
LIVALO	15%
Mevalotin	8%

Pharmaceuticals – (C) LIVALO World Wide Strategy

Region	Country	Launch	Business Partner
Asia	Japan	Sep 2003	Kowa
	Korea	Jul 2005	JW Pharmaceutical
	Thailand	Jan 2008	Biopharm Chemicals
	China	Jul 2009	Kowa (Shanghai) Pharma
	Indonesia	May 2012	Tanabe Indonesia
	Taiwan	Jun 2012	Taiwan Tanabe
North America	USA	Jun 2010	Kowa (KPA)
Latin America	Mexico, Brazil, Colombia, Venezuela	Feb 2012-	Eli Lilly
Europe	Spain, Portugal, Ukraine, Greece,Switzerland	May 2011-	Recordati
Middle and Near East	Lebanon, Jordan, UAE, Kuwait, Saudi Arabia	Mar 2011-	Algorithm SAL

Selling in total 21 countries

Pharmaceuticals – (D) Pipeline

Product	Mechanism of action	Expected indications	Development partners
NIP-022	<ul style="list-style-type: none"> Thrombopoietin (TPO) receptor activation 	<ul style="list-style-type: none"> Thrombocytopenia 	<ul style="list-style-type: none"> Terminated the license agreement with Ono in April 2014 Entered into the license agreement with Yakult in October 2015 Started Phase I clinical trials in Japan in July 2016
NT-702	<ul style="list-style-type: none"> Phosphodiesterase (PDE)3 inhibition 	<ul style="list-style-type: none"> Intermittent claudication Asthma 	<ul style="list-style-type: none"> Terminated the license agreement with Taisho Under consideration regarding seeking new partners
NTC-801	<ul style="list-style-type: none"> Acetylcholine-activated K⁺ channel current (IKACH) inhibition 	<ul style="list-style-type: none"> Arrhythmia (Atrial fibrillation) 	<ul style="list-style-type: none"> Terminated the license agreement with Teijin and BMS in September 2015 Under consideration regarding seeking new partners

◆ Strategic Research Collaboration with Shionogi

- Started in January 2016 for novel antifungal drug candidates

◆ Novel drug discovery research

To create innovative medicines by using the strategic chemical library, the precise organic synthesis technology and the state-of-the-art evaluation technology;

- In-house research : Focusing on cardiovascular disease and neurological disease as core therapeutic areas.
- Collaborative research : Utilizing open innovation effectively (e.g. Shionogi)

Pharmaceuticals – (E) Custom Chemicals

- ◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediates from pre-clinical to commercial production stages
- ◆ October 2013, Custom Chemicals shifted from Chemicals Segment to Pharma Segment to seek synergy of the two divisions (organic synthesis technology, R&D/manufacturing/quality control systems)
- ◆ Focusing on obtaining new contracts including high activity and high-valued added GE API products (Prostaglandin and vitamin D3, etc.)

1H FY2016 Sales Review

<vs. 1H FY2015>

- ◆ Up due to volume increase in existing products

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ Above target (existing products sales above target, high value-added generic API product sales above target)

2H FY2016 Sales Outlook

<vs. 2H FY2015>

- ◆ Up (existing products sales up, a new contracts expected)

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ Above target (some shipments of the high value-added generic API product shifted to FY2017, a new contract expected)

Sales YOY Change								
FY2015 Actual			FY2016 Outlook as of May 2016			FY2016 Outlook as of Nov. 2016		
1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
-6%	+68%	+27%	-5%	+2%	-1%	+10%	+3%	+6%

Pharmaceuticals – (F) Profit Overview

(¥billion)

	FY2015 Actual (A)			FY2016 Outlook as of May 2016			FY2016 Outlook(B) as of Nov. 2016			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	3.7	5.0	8.7	3.4	4.0	7.4	3.7	3.9	7.6	+0.0	-1.1	-1.1	-1%	-21%	-12%
OP	0.6	1.4	2.0	0.4	1.0	1.4	0.6	0.8	1.4	+0.0	-0.6	-0.6	0%	-44%	-30%

1H FY 2016 Review

<vs. 1H FY2015>

- ◆ LIVALO sales down (domestic down due to GE, export up)
- ◆ Custom Chemicals sales up
- ◆ Fixed cost down
- ◆ Sales flat, OP flat

<vs. 1H FY2016 Outlook as of May 2016>

- ◆ LIVALO sales above target (domestic sales below target due to shipments shifted to 2H, export above target)
- ◆ Custom Chemicals sales above target
- ◆ Sales up ¥0.3billion, OP up ¥0.2billion

2H FY 2016 Outlook

<vs. 2H FY2015>

- ◆ LIVALO sales down (domestic down due to GE, export up)
- ◆ Custom Chemicals sales up
- ◆ Absence of up-front payment on pipeline products
- ◆ Fixed cost down
- ◆ Sales down ¥1.1billion, OP down ¥0.6billion

<vs. 2H FY2016 Outlook as of May 2016>

- ◆ LIVALO sales above target (domestic sales above target due to shipments shifted from 1H, export above target)
- ◆ Custom Chemicals sales above target
- ◆ Absence of up-front payment on pipeline products
- ◆ Fixed cost up
- ◆ Sales down ¥0.1billion, OP down ¥0.2billion

Capex/Depreciation/R&D by Segment

(¥billion)

	Capex (1)					Depreciation (2)					R&D expenses					% of Sales				
	2012	2013	2014	2015	2016E	2012	2013	2014	2015	2016E	2012	2013	2014	2015	2016E					
Chem	0.9	1.2	1.4	2.3	2.1	1.6	1.4	1.4	1.4	1.6	0.4	0.4	0.5	0.5	0.5	1.4%				
Performance M.	3.1	4.3	5.2	5.4	9.4	3.7	3.2	3.6	5.2	5.2	6.5	6.3	6.7	7.4	8.3	15.0%				
Agro	2.5	1.3	1.8	1.3	2.6	1.9	2.0	1.8	1.4	1.4	3.0	3.5	3.5	3.9	3.6	6.9%				
Pharma	0.8	0.6	0.4	0.4	0.8	1.5	1.2	0.9	0.8	0.7	2.6	2.9	2.7	2.4	2.2	29.7%				
Trading	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	-				
Others	0.8	1.4	0.1	0.8	0.5	0.7	0.6	0.7	0.8	0.7	1.2	1.1	1.6	1.6	1.5	-				
Total	8.1	8.8	9.8	10.2	15.4	9.5	8.5	8.5	9.7	9.7	13.7	14.2	15.0	15.8	16.1					
											R&D expenses/Sales					8.9%	8.7%	8.7%	8.9%	8.9%

(1) Capex
 Actual - Acceptance basis
 Outlook - Production commencement basis

(2) Depreciation Method
 SUNEVER, ARC®, OptiStack®
 - 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. 2016) –A	430
Total Professionals (Sept. 2016) –B	1,090
A/B	39%

※Parent company only

※Round number

Main Capex Items (Approval Basis)

(¥billion)

FY2013 Actual		FY2014 Actual		FY2015 Actual		FY2016 Outlook as of Nov. 2016	
Chemical Research Lab. (Instruments)	0.8	Reconstruction of Biological Research Lab. The fifth stage (Facilities)	1.3	Semis (Product development facilities)	2.8	NCK Semis (Production capacity expansion)	3.2
Electronic Materials Lab. (Instruments)	0.8	Semis (Analyzing and evaluation R&D equipment)	1.1	Material Research Lab. (Instruments)	2.2	Chemicals (Product development plant)	1.2
Reconstruction of Biological Research Lab. The fourth stage (Facilities)	0.5	Ammonia Feedstock Change Project	1.1	Agro (Formulation facilities)	1.2	Material Research Lab. (Instruments)	1.1
		Electronic Materials Lab. (Instruments)	0.9	SUNEVER (Raw materials products)	1.0	Semis (Analyzing and evaluation R&D equipment)	1.0
		Quality improvement of Inorganic Materials products	0.7	Semis (Analyzing and evaluation R&D equipment)	0.8	Chemical Research Lab. (Instruments)	0.6
		Chemical Research Lab. (Instruments)	0.6	Semis (Production capacity expansion)	0.8	Biological Research Lab. (Instruments)	0.3
		NCK R&D Center (Instruments)	0.3	NCK Semis (Production capacity expansion)	0.7	NCK SUNEVER (Production capacity expansion)	0.3
				Custom Chemicals (Production capacity expansion)	0.4	NCK R&D Center (Instruments)	0.2
				TEPIC (Production capacity expansion)	0.3		
				Biological Research Lab. (Instruments)	0.2		
				NCK R&D Center (Instruments)	0.2		

Financial Strategy

(A) Share Repurchase to Enhance ROE

- ◆ Started share repurchase in 2006
- ◆ Repurchased ¥50.5 billion, 33.7 million shares (18.0% of shares issued) in total from FY2006 to FY2016
- ◆ Cancelled all repurchased shares

Shareholders Return FY2006 - 2016

Fiscal year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	3,263	2,764	3,333	1,584	33,737
Purchase costs (¥billion)	4.7	5.0	8.0	0.0	2.8	0.0	5.0	5.0	6.0	9.0	5.0	50.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	6,000	4,000	3,000	2,000	2,000	33,635
Shares issued at FY end (million shares)	185	181	174	174	171	171	165	161	158	156	154	
Treasury share at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	522	287	1,621		
Dividend (¥billion)	3.7	3.6	3.8	4.2	4.1	4.1	4.3	4.9	5.7	6.8		
Dividend (¥/Share)	20	20	22	24	24	24	26	30	36	44		
Total payout ratio (dividend + share repurchase) (%)	60	56	118	32	53	37	67	59	64	71		

- ◆ Repurchase plan announced on May 12, 2016
 - Total number of shares repurchased :1.6 million shares
 - Total amount :¥ 5.0 billion
 - Period of repurchase :From May 13, 2016 to August 2, 2016
- ◆ Cancellation of shares
 - Total number of shares cancelled :1.0 million shares (May 10, 2016)
 - Total number of shares cancelled :1.0 million shares (August 31, 2016)

(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

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

FY2015 Financial Targets (Mid-Term Plan vs. Actual)(A)

1. PL (¥billion)	Mid-term Plan	Actual	Variance
	FY2015 (A)	FY2015 (B)	(B)-(A)
Sales	180.0	176.9	-3.1
Operating Profit	26.0	Achieved 28.6	+2.6
Ordinary Income	26.5	Achieved 29.5	+3.0
Net Income	18.5	Achieved 22.4	+3.9
EPS(¥)	113.00	Achieved 143.37	+30.37
FX Rate (¥/\$)	85	1H 122 2H 118	
Naphtha (¥/kl)	61,000	1H 48,000 2H 37,700	

2. Segment (1) (¥billion)	Mid-term Plan		Actual		Variance	
	Sales (2)	OP	Sales	OP	Sales	OP
	2015 (C)	2015 (D)	2015 (E)	2015 (F)	(E) - (C)	(F) - (D)
Chem	41.5	4.9	36.6	4.5	-4.9	-0.4
Performance M.	53.8	11.3	51.8	12.0	-2.0	+0.7
Agro	40.8	7.6	47.5	10.8	+6.7	+3.2
Pharma	7.9	3.5	6.4	1.4	-1.5	-2.1
Trading,Others,Adjustment	36.0	-1.3	34.6	-0.1	-1.4	+1.2
Total	180.0	26.0	176.9	28.6	-3.1	+2.6

(1) Former segmentation (2) Including inter-segment sales/transfers

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

FY2015 Sales Variance by Segment (Mid-Term Plan vs. Actual)(B)

	Sales Variance 2. (E) - (C)	FY2015 Actual > FY2015 Mid-term Plan	FY2015 Actual < FY2015 Mid-term Plan
Chem	-4.9	Melamine(domestic, export) TEPIC(general), Custom Chemicals	Ammonia, High purity sulfuric acid, TEPIC(electronic, liquid), Urea/AdBlue, Fertilizer, Environmental related products
Performance M.	-2.0	IPS/FFS, Photo-alignment IPS, ARC®(Bottom anti-reflective coating)	TN, VA, Other display materials, OptiStack® (Multi layer process materials), SNOWTEX(polishing, non-polishing), Organo sol, New products
Agro	+6.7	Fluralaner, ROUNDUP, ALTAIR, Export	LEIMAY, SIRIUS
Pharma	-1.5	LIVALO(export)	LIVALO(domestic) Up-front payment
Total	-3.1		

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

FY2015 Financial Indicators (Mid-Term Plan vs. Actual)(C)

- ◆ Highest importance on ROE as well as OP margin

ROE : FY2015 Target 13.4% vs FY2015 Actual 14.6%

achieved

OP margin : FY2015 Target 14.4% vs FY2015 Actual 16.2%

achieved

- ◆ Dividend payout ratio above 30% vs FY2015 Actual 30.7%

— In addition, continue to repurchase shares timely

achieved

- ◆ R&D expenses/sales :

FY2015 Target 9.6% vs FY2015 Actual 8.9%

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Mid-Term Business Plan Vista 2021 (FY2016-2021)

Financial Indicators (A)

(¥billion)

1. PL	2015	2016	2018	2021
Sales	176.9	187.5	217.0	250.0
Operating Profit	28.6	29.7	35.0	40.0
Ordinary Income	29.5	30.4	35.6	40.8
Net Income	22.4	23.0	27.1	31.0
OP Margin	16.2%	15.8%	16.1%	16.0%
ROE	14.6%	14.3%	above 14%	above 14%
Dividend Payout Ratio	30.7%	33.3%	40%	40%
Total payout ratio	70.8%	maintain 70%	maintain 70%	maintain 70%

FX Rate (¥/\$)	1H 122 2H 118	FY2016 onward 115		
Naphtha (¥/KL) (4)	1H 48,000 2H 37,700	1H 35,400 2H 35,400	FY2017 onward 51,100	

(¥billion)

2. Segment ⁽¹⁾	Sales				Operating Profit			
	2015	2016	2018	2021	2015	2016	2018	2021
Chem	34.3	35.4	38.0	40.5	3.9	4.9	4.0	4.5
Performance M.	51.8	55.3	68.0	82.9	12.0	11.7	15.4	18.4
Agro	47.5	52.1	58.6	67.0	10.8	11.3	12.9	16.7
Pharma	8.7	7.4	8.1	8.3	2.0	1.4	2.0	2.4
Trading,Others,Adjustment	34.6	37.3	44.3	51.3	-0.1	0.4	0.7	-2.0
Total	176.9	187.5	217.0	250.0	28.6	29.7	35.0	40.0

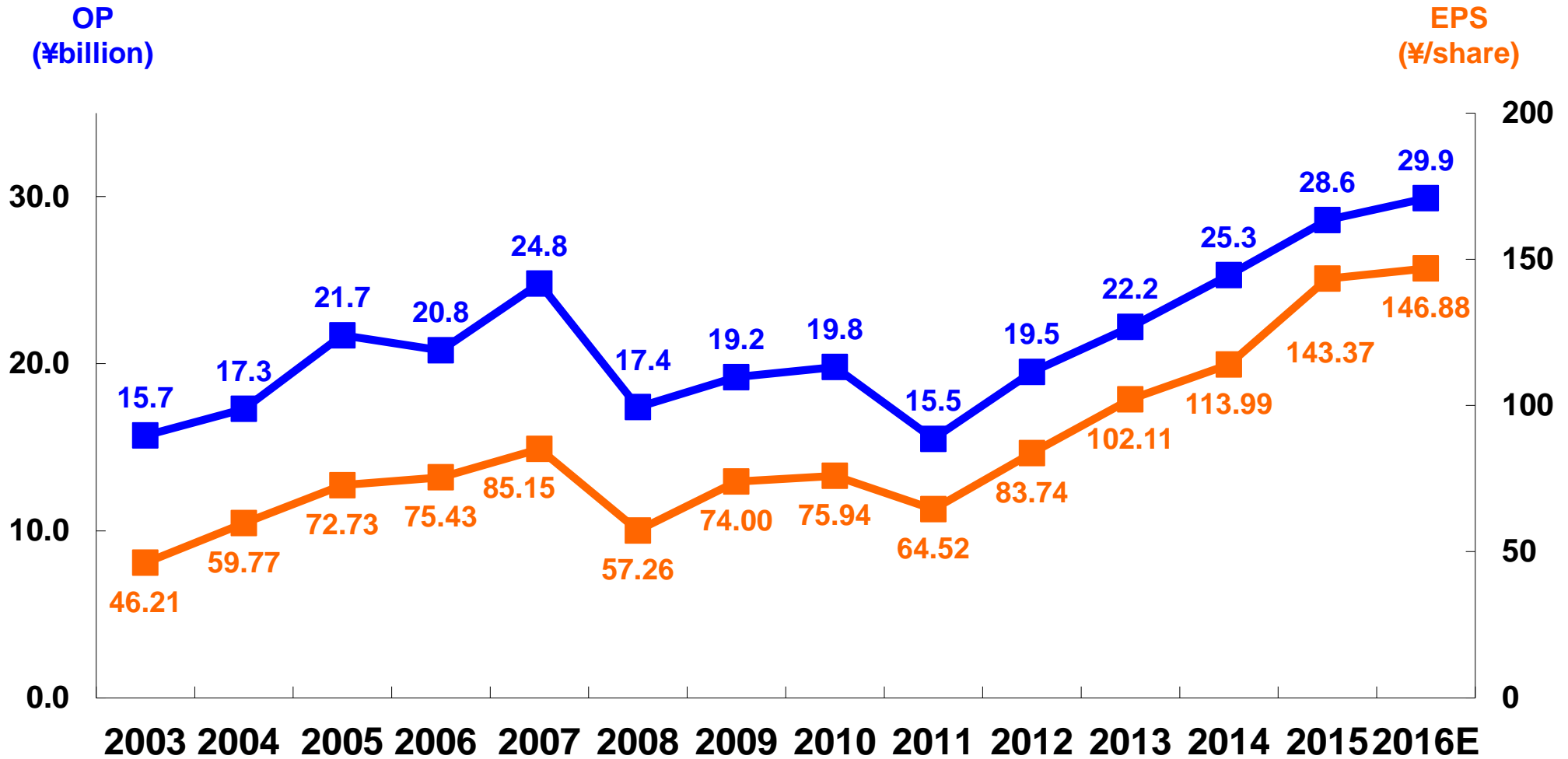
(1) Including inter-segment sales/transfers

Mid-Term Business Plan Vista 2021 (FY2016-2021)

Financial Indicators (B)

- ◆ **OP Margin : Maintain above 15% (FY2015 Actual 16.2%)**
- ◆ **ROE : Maintain above 14% (FY2015 Actual 14.6%)**
- ◆ **Dividend Payout Ratio :
Gradually increase to 40% in FY2018 (FY2015 Actual 30.7%)**
- ◆ **Total Payout Ratio :
Maintain 70% (FY2015 Actual 70.8%) New indicator**
- ◆ **R&D expenses/sales : above 8% (FY2015 Actual 8.9%)**

Long-term Financial Performance Trend



Long Term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016E
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8	163.7	171.2	176.9	180.5
Operating Profit	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5	19.5	22.2	25.3	28.6	29.9
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5	23.7	26.4	29.5	29.7
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9	16.7	18.2	22.4	22.5
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9	29.0	30.8	33.8	38.3	39.6
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	16.6%
ROE	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%	12.7%	12.7%	14.6%	14.2%
EPS(¥/share)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74	102.11	113.99	143.37	146.88
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	50
Dividend Payout Ratio	23.8%	18.4%	20.6%	26.5%	23.5%	38.4%	32.4%	31.6%	37.2%	31.0%	29.4%	31.6%	30.7%	34.0%
Share Repurchase	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	9.0	5.0
Total Assets	172.6	169.4	183.2	177.3	172.7	172.3	181.4	183.4	190.1	199.2	208.0	223.9	228.2	-
Net Assets	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6	126.7	137.8	151.3	156.9	-
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9	30.8	31.3	35.3	-
Liabilities with Interest	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9	38.1	36.1	35.1	33.1	-
D/E Ratio	78.0%	53.7%	38.5%	23.2%	27.2%	37.1%	26.0%	16.9%	9.3%	5.0%	4.1%	2.7%	-1.6%	-
Equity Ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%	65.7%	66.9%	68.1%	-
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	8.1	8.8	9.8	10.2	15.4
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5	8.5	8.5	9.7	9.7
R&D Expenses	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6	13.7	14.2	15.0	15.8	16.1
R&D Expenses/Sales	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%	8.7%	8.7%	8.9%	8.9%

FY2011-2Q FY2013 Quarterly Sales by Segment⁽¹⁾

(Former Segmentation)

(¥billion)

	FY2011 Actual					FY2012 Actual					FY2013 Actual	
	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	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	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

(1) Including inter-segment sales/transfers

FY2011-2Q FY2013 Quarterly OP by Segment

(Former Segmentation)

(¥billion)

	FY2011 Actual					FY2012 Actual					FY2013 Actual	
	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%

FY2013-2Q FY2016 Quarterly Sales by Segment (1)

(New Segmentation)

(¥billion)

	FY2013 Actual					FY2014 Actual					FY2015 Actual					FY2016 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	9.3	8.6	8.8	8.8	35.5	8.5	8.2	9.1	8.5	34.3	8.7	8.0	9.0	8.6	34.3	8.5	8.0
Fine	2.7	2.6	2.3	2.3	9.9	2.7	2.6	2.8	2.5	10.6	3.0	2.5	2.5	2.6	10.6	2.8	2.5
Basic	6.6	6.0	6.5	6.5	25.6	5.8	5.6	6.3	6.0	23.7	5.7	5.5	6.5	6.0	23.7	5.7	5.5
Performance Materials	10.3	10.3	11.1	11.1	42.8	11.8	12.4	13.0	12.2	49.4	13.0	13.0	13.6	12.2	51.8	12.6	12.9
Agro	9.9	6.1	5.5	17.6	39.1	12.3	6.2	5.7	21.5	45.7	13.6	7.5	5.0	21.4	47.5	14.5	9.5
Pharma	3.1	3.3	3.0	2.2	11.6	2.5	2.5	2.1	1.7	8.8	2.1	1.6	3.5	1.5	8.7	2.2	1.5
Trading	12.7	11.8	12.8	13.4	50.7	14.1	13.2	14.1	13.0	54.4	14.7	12.8	14.9	13.2	55.6	14.4	13.2
Others	4.6	5.1	4.9	6.8	21.4	3.8	4.7	4.6	7.8	20.9	4.1	4.8	4.7	7.3	20.9	4.0	4.6
Adjustment	-9.7	-9.0	-8.9	-9.8	-37.4	-10.5	-9.8	-10.7	-11.3	-42.3	-11.0	-9.2	-11.0	-10.7	-41.9	-11.1	-10.3
Total	40.2	36.2	37.2	50.1	163.7	42.5	37.4	37.9	53.4	171.2	45.2	38.5	39.7	53.5	176.9	45.1	39.4

(1) Including inter-segment sales/transfers

FY2013-2Q FY2016 Quarterly OP by Segment

(New Segmentation)

(¥billion)

	FY2013 Actual					FY2014 Actual					FY2015 Actual					FY2016 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	1.0	-0.2	0.6	0.5	1.9	1.0	-0.6	0.6	0.9	1.9	1.5	-0.1	1.2	1.3	3.9	1.5	-0.2
Performance Materials	2.1	2.3	2.3	2.1	8.8	3.3	3.4	3.2	2.1	12.0	3.4	2.9	3.6	2.1	12.0	3.0	3.2
Agro	2.3	0.1	-0.8	4.6	6.2	4.0	0.0	-0.5	5.7	9.2	4.4	1.8	-1.3	5.9	10.8	4.5	2.4
Pharma	1.4	1.7	1.4	0.4	4.9	0.8	0.8	0.4	0.3	2.3	0.4	0.2	1.6	-0.2	2.0	0.6	0.0
Trading	0.4	0.3	0.4	0.4	1.5	0.5	0.4	0.5	0.3	1.7	0.5	0.4	0.5	0.4	1.8	0.4	0.4
Others	0.1	0.1	0.1	0.5	0.8	-0.1	0.0	0.1	0.6	0.6	0.0	0.0	0.0	0.5	0.5	0.0	0.0
Adjustment	-0.6	-0.4	-0.5	-0.4	-1.9	-0.6	-0.4	-0.7	-0.7	-2.4	-0.8	-0.3	-0.7	-0.6	-2.4	-0.5	-0.6
Total	6.7	3.9	3.5	8.1	22.2	8.9	3.6	3.6	9.2	25.3	9.4	4.9	4.9	9.4	28.6	9.5	5.2
OP Margin	16.7%	10.6%	9.3%	16.4%	13.6%	21.0%	9.6%	9.6%	17.2%	14.8%	20.9%	12.6%	12.5%	17.6%	15.8%	21.1%	13.3%

1H FY2016 Sales by Segment (1)

(¥billion)

	1H FY2015 Actual			1H FY2016 Outlook as of May 2016			1H FY2016 Actual		
	1Q	2Q	Total	1Q	2Q	Total	1Q	2Q	Total
Chem	8.7	8.0	16.7	8.9	8.6	17.5	8.5	8.0	16.5
Fine	3.0	2.5	5.5	3.0	2.7	5.7	2.8	2.5	5.3
Basic	5.7	5.5	11.2	5.9	5.9	11.8	5.7	5.5	11.2
Performance Materials	13.0	13.0	26.0	13.1	13.5	26.6	12.6	12.9	25.5
Agro	13.6	7.5	21.1	12.2	10.1	22.3	14.5	9.5	24.0
Pharma	2.1	1.6	3.7	1.6	1.8	3.4	2.2	1.5	3.7
Trading	14.7	12.8	27.5	14.2	14.6	28.8	14.4	13.2	27.6
Others	4.1	4.8	8.9	4.1	4.7	8.8	4.0	4.6	8.6
Adjustment	-11.0	-9.2	-20.2	-10.7	-10.7	-21.4	-11.1	-10.3	-21.4
Total	45.2	38.5	83.7	43.4	42.6	86.0	45.1	39.4	84.5

(1) Including inter-segment sales/transfers

1H FY2016 OP by Segment

(¥billion)

	1H FY2015 Actual			1H FY2016 Outlook as of May 2016			1H FY2016 Actual		
	1Q	2Q	Total	1Q	2Q	Total	1Q	2Q	Total
Chem	1.5	-0.1	1.4	1.5	0.1	1.6	1.5	-0.2	1.3
Performance Materials	3.4	2.9	6.3	2.8	3.0	5.8	3.0	3.2	6.2
Agro	4.4	1.8	6.2	3.0	2.8	5.8	4.5	2.4	6.9
Pharma	0.4	0.2	0.6	0.1	0.3	0.4	0.6	0.0	0.6
Trading	0.5	0.4	0.9	0.4	0.5	0.9	0.4	0.4	0.8
Others	0.0	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
Adjustment	-0.8	-0.3	-1.1	-0.6	-0.6	-1.2	-0.5	-0.6	-1.1
Total	9.4	4.9	14.3	7.1	6.2	13.3	9.5	5.2	14.7

Sales and Operating Profit by Segment

(¥billion)

		FY2010		FY2011		FY2012		FY2013		FY2014		FY2015		FY2016E	
Sales (A)	Chem	38.1	24.7%	36.9	24.8%	34.5	22.4%	35.5	21.7%	34.3	20.0%	34.3	19.4%	34.1	18.9%
	Perf	38.0	24.6%	34.0	22.9%	37.4	24.3%	42.8	26.1%	49.4	28.9%	51.8	29.3%	52.5	29.1%
	Agro	34.4	22.3%	33.8	22.7%	35.4	23.0%	39.1	23.9%	45.7	26.7%	47.5	26.9%	52.2	28.9%
	Pharma	9.6	6.2%	10.0	6.7%	12.7	8.3%	11.6	7.1%	8.8	5.1%	8.7	4.9%	7.6	4.2%
	Trading	44.1	28.6%	44.8	30.1%	46.6	30.3%	50.7	31.0%	54.4	31.8%	55.6	31.4%	58.2	32.2%
	Others	27.0	17.5%	20.0	13.5%	21.2	13.8%	21.4	13.1%	20.9	12.2%	20.9	11.8%	23.4	13.0%
	Adj	-37.0	-24.0%	-30.9	-20.8%	-34.0	-22.1%	-37.4	-22.8%	-42.3	-24.7%	-41.9	-23.7%	-47.5	-26.3%
	Total	154.2	100%	148.6	100%	153.8	100%	163.7	100%	171.2	100%	176.9	100%	180.5	100%

OP (B)	Chem	2.4	12.1%	1.6	10.3%	1.9	9.7%	1.9	8.6%	1.9	7.5%	3.9	13.6%	3.7	12.4%
	Perf	7.9	39.9%	4.8	31.0%	7.2	36.9%	8.8	39.6%	12.0	47.4%	12.0	42.0%	11.7	39.1%
	Agro	4.8	24.2%	4.4	28.4%	5.0	25.6%	6.2	27.9%	9.2	36.4%	10.8	37.8%	12.8	42.8%
	Pharma	4.4	22.2%	4.6	29.7%	5.2	26.7%	4.9	22.1%	2.3	9.1%	2.0	7.0%	1.4	4.7%
	Trading	1.4	7.1%	1.3	8.4%	1.4	7.2%	1.5	6.8%	1.7	6.7%	1.8	6.3%	1.9	6.4%
	Others	1.0	5.1%	0.3	1.9%	0.7	3.6%	0.8	3.6%	0.6	2.4%	0.5	1.7%	0.7	2.3%
	Adj	-2.1	-10.6%	-1.5	-9.7%	-1.9	-9.7%	-1.9	-8.6%	-2.4	-9.5%	-2.4	-8.4%	-2.3	-7.7%
	Total	19.8	100%	15.5	100%	19.5	100%	22.2	100%	25.3	100%	28.6	100%	29.9	100%

OP Margin (C) = (B)/(A)	Chem	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%
	Perf	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	22.3%
	Agro	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	24.5%
	Pharma	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	18.4%
	Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.3%
	Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%	3.0%
	Total	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	16.6%

		FY2013		FY2014		FY2015	
Segment Assets (D)	Chem	25.8	12.4%	25.2	11.3%	26.6	11.7%
	Perf	38.0	18.3%	43.9	19.6%	40.9	17.9%
	Agro	48.6	23.4%	53.6	23.9%	52.9	23.2%
	Pharma	12.7	6.1%	11.4	5.1%	11.1	4.9%
	Trading	18.1	8.7%	18.5	8.3%	19.5	8.5%
	Others	9.1	4.4%	9.9	4.4%	10.1	4.4%
	Adj	55.7	26.8%	61.4	27.4%	67.1	29.4%
	Total	208.0	100%	223.9	100%	228.2	100%

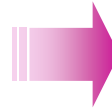
ROA (E) = (B)/(D)	Chem	7.4%	7.5%	14.7%
	Perf	23.2%	27.3%	29.3%
	Agro	12.8%	17.2%	20.4%
	Pharma	38.9%	20.2%	18.0%
	Trading	8.3%	9.2%	9.2%
	Others	8.3%	6.1%	5.0%
	Total	10.7%	11.3%	12.5%

FY2010-2011 : Former Segmentation, FY2012-2016E : New Segmentation

New Segmentation (From October 1, 2013)

Former 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, NHC, ARC® (Bottom anti-reflective coating) OptiStack® (Multi layer process materials) Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	
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
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Performance Materials	SUNEVER, NHC, ARC® (Bottom anti-reflective coating) OptiStack® (Multi layer process materials) Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	
Pharma	LIVALO Custom Chemicals	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	

Main Products by Segment (New Segmentation)

Segment	Products	Main Applications
Chem	<p>◆ Fine Chemicals TEPIC Melamine cyanurate Environmental product</p>	<p>epoxy compound for LED sealants, solder resist, painting flame retardant HI-LITE (chlorinated isocyanuric acid for sterilizing)</p>
	<p>◆ Basic Chemicals Melamine AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals</p>	<p>adhesive agent for plywood solution of urea in demineralised water for diesel trucks to reduce NOx agents used for cleaning semiconductors</p>
Performance Materials	<p>◆ Electronic Materials SUNEVER ARC® OptiStack® NHC OPTIFOCUS ELSOURCE</p>	<p>LCD alignment coating bottom anti-reflective coating for semiconductors multi layer process material for semiconductors (Si-HM/SOC) *ARC® and OptiStack® are registered trade mark of Brewer Science, Inc. protective coating for touch panel microlens material for image sensor application hole injection layer materials for OLED</p>
	<p>◆ Inorganic Materials SNOWTEX Organo silica sol Alumina sol SUNCOLLOID CELNAX</p>	<p>water dispersed colloidal silica sol for polishing silicon wafers, special 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>
Agro	<p>◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE ◆ Fungicide LEIMAY/ORACLE PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE) ◆ Animal health products Fluralaner (BRAVECTO)</p>	<p>soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land fruits, tea, vegetables vegetables, potato, fruits potato, grape, turf active substance of BRAVECTO (veterinary medical product for dogs)</p>
Pharma	<p>LIVALO Custom Chemicals</p>	<p>Anti-cholesterol drug custom manufacturing and process services for pharmaceutical companies</p>
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.