

August 4, 2017

Nissan Chemical,
-where unique & solution meet

1Q FY2017 (April 1- June 30, 2017) Financial Results

Supplemental Information

NISSAN CHEMICAL INDUSTRIES, LTD.

1Q FY2017

(¥billion)

	FY2016 Actual	FY2017 Actual	Change	Change (%)	FY2017 Outlook as of May 2017
	1Q	1Q	1Q	1Q	1Q
Sales	45.1	47.4	+2.3	+5.2%	45.2
Operating Profit	9.5	10.0	+0.5	+5.6%	8.1
Non-Operating Income/Expenses	-0.1	0.9	+1.0	-	0.5
Ordinary Income	9.4	10.9	+1.5	+16.0%	8.6
Extraordinary Profit/Loss	0.0	0.0	+0.0	-	0.0
Net Income	6.8	7.9	+1.1	+15.5%	6.5
EBITDA (1)	11.5	12.2	+0.7	+6.9%	-
EPS (¥/share)	44.31	52.22	+7.91	+17.9%	-
OP Margin	21.1%	21.2%	+0.1%		17.9%
FX Rate (¥/\$)	108	111			110
Naphtha (¥/kl) (2)	31,600	39,100			40,700
Comprehensive Income	4.9	9.5			

(1) EBITDA = Operating Profit + Depreciation

(2) Actual: Based on Trade Statistics of Japan Ministry of Finance

1Q FY2017 Review

<vs. 1Q FY2016>

(Sales)	◆Up	¥2.3 billion (+5.2%)
(OP)	◆Up	¥0.5 billion (+5.6%)
(Non-Operating Income and Expenses)	◆Up	¥1.0 billion
(Ordinary Income)	◆Up	¥1.5 billion (+16.0%)
(Net Income)	◆Up	¥1.1 billion (+15.5%)
(EPS)	◆Up	¥7.91yen (+17.9%)

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

<vs. 1Q FY2017 Outlook as of May 2017>

(Sales)	◆Up	¥2.2 billion
(OP)	◆Up	¥1.9 billion
(Non-Operating Income and Expenses)	◆Up	¥0.4 billion
(Ordinary Income)	◆Up	¥2.3 billion
(Net Income)	◆Up	¥1.4 billion

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

FY2016-17 Quarterly Sales by Segment (1)

(¥billion)

	FY2016					FY2017		
	1Q	2Q	3Q	4Q	Total	1Q	YOY	1QE as of May2017
Chem	8.5	8.0	9.1	9.2	34.8	8.8	+0.3	8.4
Fine Chemicals	2.8	2.5	2.7	2.7	10.7	2.8	-0.0	2.6
Basic Chemicals	5.7	5.5	6.4	6.5	24.1	6.0	+0.3	5.8
Performance Materials	12.6	12.9	13.8	13.5	52.8	14.1	+1.5	13.8
Agro	14.5	9.5	4.2	23.8	52.0	14.6	+0.1	13.5
Pharma	2.2	1.5	2.4	1.9	8.0	2.1	-0.1	1.5
Trading	14.4	13.2	13.7	13.9	55.2	14.6	+0.2	15.2
Others	4.0	4.6	5.8	9.6	24.0	5.4	+1.4	4.7
Adjustment	-11.1	-10.3	-11.4	-13.7	-46.5	-12.2	-1.1	-11.9
Total	45.1	39.4	37.6	58.2	180.3	47.4	+2.3	45.2

(1) Including inter-segment sales/transfers

FY2016-17 Quarterly OP by Segment

(¥billion)

	FY2016					FY2017		
	1Q	2Q	3Q	4Q	Total	1Q	YOY	1QE as of May 2017
Chem	1.5	-0.2	1.3	1.2	3.8	1.5	+0.0	1.4
Performance Materials	3.0	3.2	3.8	2.5	12.5	3.6	+0.6	3.2
Agro	4.5	2.4	-2.0	8.3	13.2	4.5	+0.0	3.8
Pharma	0.6	0.0	0.8	0.3	1.7	0.5	-0.1	0.1
Trading	0.4	0.4	0.5	0.4	1.7	0.4	-0.0	0.4
Others	0.0	0.0	0.2	0.8	1.0	0.1	+0.1	-0.1
Adjustment	-0.5	-0.6	-0.6	-0.8	-2.5	-0.6	-0.1	-0.7
Total	9.5	5.2	4.0	12.7	31.4	10.0	+0.5	8.1

1Q FY2017 Sales YOY Change

< Chem >

		April-June
Fine Chem	Total subsegment	-0%
	TEPIC	+38%
	Environmental related products	-6%
Basic Chem	Total subsegment	+6%
	Melamine	-3%
	Urea including AdBlue	-0%
	High purity sulfuric acid	+25%

< Performance Materials >

		April-June
Display	Total SUNEVER	+11%
	Total Display Materials	+11%
Semiconductor	KrF (ARC®)	+10%
	ArF (ARC®)	+8%
	Total	+6%
	Other Semiconductors Materials	+25%
	Total Semiconductors Materials	+10%
SNOWTEX		+5%
Organo sol		+8%

< Agro (1) >

		April-June
Total segment		+1%
ROUNDUP		+5%
Except ROUNDUP		-0%

< Pharma >

		April-June
Total segment		-3%
LIVALO		-10%
Custom Chemicals		+15%

(1) Before discount

*Other Semiconductors Materials: Multi layer process materials (OptiStack®), microlens, etc

*ARC® and OptiStack® is registered trade mark of Brewer Science, Inc.

Profit Overview - Chemicals

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of May 2017
	1Q	1Q	1Q	1Q	1Q
Sales	8.5	8.8	+0.3	+4%	8.4
Fine	2.8	2.8	-0.0	-0%	2.6
Basic	5.7	6.0	+0.3	+6%	5.8
OP	1.5	1.5	+0.0	+2%	1.4

1Q FY2017 Review

<vs. 1Q FY2016>

(Fine Chemicals)

- ◆ Sales of TEPIC for both general applications and electronic materials up
- ◆ Sales of environmental related products down due to absence of a one-time large domestic order in 1Q FY2016
- ◆ Sales flat, OP down

(Basic Chemicals)

- ◆ Sales of melamine down (domestic sales up, export down)
- ◆ Sales of high purity sulfuric acid up
- ◆ Sales of urea including AdBlue flat
- ◆ Feedstock cost up
- ◆ Sales up, OP up

(Total Segment)

- ◆ Sales up ¥0.3billion(+4%), OP up ¥0.0billion(+2%)

1Q FY2017 Review

<vs. 1Q FY2017 Outlook as of May 2017>

(Fine Chemicals)

- ◆ Sales of TEPIC for both general applications and electronic materials above target
- ◆ Sales of environmental related products in line with target
- ◆ Sales above target, OP above target

(Basic Chemicals)

- ◆ Sales of melamine below target (domestic sales in line with target, export below target)
- ◆ Sales of high purity sulfuric acid above target
- ◆ Sales of urea including AdBlue in line with target
- ◆ Feedstock cost below expectations
- ◆ Sales above target, OP above target

(Total Segment)

- ◆ Sales up ¥0.4billion, OP up ¥0.1billion

Profit Overview - Performance Materials

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of May 2017
	1Q	1Q	1Q	1Q	1Q
Sales	12.6	14.1	+1.5	+11%	13.8
OP	3.0	3.6	+0.6	+21%	3.2

1Q FY2017 Review

<vs. 1Q FY2016>

- ◆ SUNEVER sales up (IPS/FFS and VA up, TN down)
- ◆ Total Semis Materials sales up
(KrF, ArF ARC® and other semis materials up)
- ◆ Inorganic Materials sales up (SNOWTEX up, organo sol up)
- ◆ Fixed cost up ¥0.5 billion (including R&D)
- ◆ Sales up ¥1.5 billion(+11%), OP up ¥0.6 billion(+21%)

1Q FY2017 Review

<vs. 1Q FY2017 Outlook as of May 2017>

- ◆ SUNEVER sales above target
(IPS/FFS and VA above target, TN below target)
- ◆ Total Semis Materials sales below target
(KrF ARC® above target, ArF ARC® below target,
other semis materials in line with target)
- ◆ Inorganic Materials sales above target
(SNOWTEX above target, organo sol above target)
- ◆ Fixed cost below expectations ¥0.2 billion (including R&D)
- ◆ Sales up ¥0.3 billion, OP up ¥0.4 billion

Profit Overview - Agrochemicals

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of May 2017
	1Q	1Q	1Q	1Q	1Q
Sales	14.5	14.6	+0.1	+1%	13.5
OP	4.5	4.5	+0.0	+1%	3.8

1Q FY2017 Review

<vs. 1Q FY2016>

- ◆ Sales up : ROUNDUP, ALTAIR, TARGA(export), LEIMAY, SANMITE
- ◆ Sales down : PULSOR (export), SIRIUS, STARMITE, Fluralaner
- ◆ Sales up ¥0.1 billion(+1%), OP up ¥0.0 billion (+1%) (including inventory adjustment cost down 0.2 billion)

1Q FY2017 Review

<vs. 1Q FY2017 Outlook as of May 2017>

- ◆ Sales above target : ROUNDUP, ALTAIR, TARGA(export), LEIMAY
- ◆ Sales below target : PULSOR (export), STARMITE, Fluralaner
- ◆ Sales up ¥1.1 billion, OP up ¥0.7 billion

Profit Overview - Pharmaceuticals

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of May 2017
	1Q	1Q	1Q	1Q	1Q
Sales	2.2	2.1	-0.1	-3%	1.5
OP	0.6	0.5	-0.1	-16%	0.1

1Q FY2017 Review

<vs. 1Q FY2016>

- ◆ LIVALO sales down
(domestic sales down due to GE, export up)
- ◆ Custom Chemicals sales up
- ◆ Sales down ¥0.1 billion(-3%), OP down ¥0.1 billion(-16%)

1Q FY2017 Review

<vs. 1Q FY2017 Outlook as of May 2017>

- ◆ LIVALO sales above target
(domestic sales above target, export above target)
- ◆ Custom Chemicals sales above target
- ◆ Sales up ¥0.6 billion, OP up ¥0.4 billion