

February 2, 2018

Nissan Chemical,  
-where unique & solution meet

# 3Q FY2017 (April 1- December 31, 2017) Financial Results

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## Supplemental Information



NISSAN CHEMICAL INDUSTRIES, LTD.

# 3Q FY2017

(¥billion)

	FY2016 Actual			FY2017 Actual			Change			FY2017 Outlook as of Nov. 2017
	1H	3Q	1-3Q Total	1H	3Q	1-3Q Total	1H	3Q	1-3Q Total	
Sales	84.5	37.6	122.1	91.0	41.7	Record 132.7	+6.5	+4.1	+10.6	41.3
Operating Profit	14.7	4.0	18.7	17.3	5.1	Record 22.4	+2.6	+1.1	+3.7	4.4
Non-Operating Income/Expenses	-0.5	1.1	0.6	0.5	1.0	1.5	+1.0	-0.1	+0.9	0.6
Ordinary Income	14.2	5.1	19.3	17.8	6.1	Record 23.9	+3.6	+1.0	+4.6	5.0
Extraordinary Profit/Loss	-	-	-	-	-	-	-	-	-	-
Net Income (1)	10.6	3.6	14.2	13.2	4.5	Record 17.7	+2.6	+0.9	+3.5	3.9
EBITDA (2)	18.8	6.1	24.9	22.0	7.8	29.8	+3.2	+1.7	+4.9	-
EPS (¥/share)	69.00	23.86	92.86	87.40	30.28	117.68	+18.40	+6.42	+24.82	-
OP Margin	17.4%	10.6%	15.3%	19.0%	12.3%	16.9%	+1.6%	+1.7%	+1.6%	10.7%
FX Rate (¥/\$)	105	109	107	111	113	112				
Naphtha (¥/kl) (3)	31,400	34,000	31,400	37,700	44,600	40,100				
Comprehensive Income	7.4	6.3	1.4	16.7	6.0	22.7				

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

(2) EBITDA = Operating Profit + Depreciation

(3) Based on Trade Statistics of Japan Ministry of Finance

# 3Q FY2017 Review

## <vs. 3Q FY2016>

**(Sales)** ◆Up ¥4.1 billion (+11.0%)

(+) Chemicals, Performance Materials, Agrochemicals, Trading

(-) Pharmaceuticals

**(OP)** ◆Up ¥1.1 billion (+29.3%)

(+) Performance Materials, Agrochemicals

(±) Trading

(-) Chemicals, Pharmaceuticals

**(Ordinary Income)** ◆Up ¥1.0 billion (+19.9%)

**(Net Income)** ◆Up ¥0.9 billion (+25.1%)

**(EPS)** ◆Up ¥6.42 (+26.9%)

## <vs. 3Q FY2017 Outlook as of Nov. 2017>

**(Sales)** ◆Up ¥0.4 billion

(+) Performance Materials, Trading

(±) Chemicals, Pharmaceuticals

(-) Agrochemicals

**(OP)** ◆Up ¥0.7 billion

(+) Performance Materials, Agrochemicals, Pharmaceuticals

(±) Chemicals

(-) Trading

**(Ordinary Income)** ◆Up ¥1.1 billion

**(Net Income)** ◆Up ¥0.6 billion

# 1-3Q FY2017 Review

<vs. 1-3Q FY2016>

**(Sales) ◆Up**    **¥10.6 billion (+8.7%)**    **(+) Chemicals, Performance Materials, Agrochemicals, Trading**

**(-) Pharmaceuticals**

**(OP) ◆Up**    **¥3.7 billion (+19.7%)**    **(+) Performance Materials, Agrochemicals, Trading**

**(-) Chemicals, Pharmaceuticals**

**(Ordinary Income) ◆Up**    **¥4.6 billion (+24.0%)**

**(Net Income) ◆Up**    **¥3.5 billion (+24.6%)**

**(EPS) ◆Up**    **¥24.82 (+26.7%)**

**Sales, OP, Ordinary Income and Net Income renewed the highest results**

# FY2016-17 Quarterly Sales by Segment (1)

(¥billion)

	FY 2016 Actual				FY 2017 Actual				FY2017 Outlook as of Nov. 2017
	1Q	2Q	3Q	1-3Q Total	1Q	2Q	3Q	1-3Q Total	3Q
Chem	8.5	8.0	9.1	25.6	8.8	7.9	9.2	25.9	9.2
Fine Chemicals	2.8	2.5	2.7	8.0	2.8	2.5	2.8	8.1	2.6
Basic Chemicals	5.7	5.5	6.4	17.6	6.0	5.4	6.4	17.8	6.6
Performance Materials	12.6	12.9	13.8	39.3	14.1	15.0	15.1	44.2	14.6
Agro	14.5	9.5	4.2	28.2	14.6	11.5	6.4	32.5	7.0
Pharma	2.2	1.5	2.4	6.1	2.1	1.4	2.3	5.8	2.3
Trading	14.4	13.2	13.7	41.3	14.6	14.5	15.9	45.0	15.8
Others	4.0	4.6	5.8	14.4	5.4	4.3	4.6	14.3	4.5
Adjustment	-11.1	-10.3	-11.4	-32.8	-12.2	-11.0	-11.8	-35.0	-12.1
<b>Total</b>	<b>45.1</b>	<b>39.4</b>	<b>37.6</b>	<b>122.1</b>	<b>47.4</b>	<b>43.6</b>	<b>41.7</b>	<b>132.7</b>	<b>41.3</b>

(1) Including inter-segment sales/transfers

# FY2016-17 Quarterly OP by Segment

(¥billion)

	FY2016 Actual				FY2017 Actual				FY2017 Outlook as of Nov.2017
	1Q	2Q	3Q	1-3Q Total	1Q	2Q	3Q	1-3Q Total	3Q
Chem	1.5	-0.2	1.3	2.6	1.5	-0.2	1.2	2.5	1.2
Performance Materials	3.0	3.2	3.8	10.0	3.6	4.1	4.0	11.7	3.3
Agro	4.5	2.4	-2.0	4.9	4.5	3.6	-0.6	7.5	-0.8
Pharma	0.6	0.0	0.8	1.4	0.5	0.0	0.6	1.1	0.5
Trading	0.4	0.4	0.5	1.3	0.4	0.5	0.5	1.4	0.6
Others	0.0	0.0	0.2	0.2	0.1	0.1	0.1	0.3	0.0
Adjustment	-0.5	-0.6	-0.6	-1.7	-0.6	-0.8	-0.7	-2.1	-0.4
<b>Total</b>	<b>9.5</b>	<b>5.2</b>	<b>4.0</b>	<b>18.7</b>	<b>10.0</b>	<b>7.3</b>	<b>5.1</b>	<b>22.4</b>	<b>4.4</b>

# 1-3Q FY2017 Sales Review

vs. 1-3Q FY2016 and vs. 3Q FY2017 Outlook as of Nov.2017(undisclosed)

Chem		YOY		vs 3Q Outlook as of Nov. 2017 (undisclosed)
		3Q	1-3Q	
Fine Chem	TEPIC	+24%	+24%	Above
	Environmental related products	+2%	-4%	Below
Basic Chem	Melamine	-13%	-16%	Below
	Urea including AdBlue	+8%	+3%	Above
	High purity sulfuric acid	+13%	+19%	Above

Performance Materials		YOY		vs 3Q Outlook as of Nov. 2017 (undisclosed)
		3Q	1-3Q	
Display	Total SUNEVER	+8%	+10%	Above
	Other Display Materials	-24%	+3%	Below
	Total Display Materials	+7%	+10%	Above
Semiconductor	KrF (ARC®)	+6%	+10%	Above
	ArF (ARC®)	+18%	+21%	Above
	Total	+11%	+14%	Above
	Other Semiconductors Materials	+32%	+35%	Below
	Total Semiconductors Materials	+15%	+18%	Above
SNOWTEX		+15%	+9%	Above
Organo / Monomer sol		-27%	+3%	Below

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

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

# 1-3Q FY2017 Sales Review

vs. 1-3Q FY2016 and vs. 3Q FY2017 Outlook as of Nov.2017(undisclosed)

Agro(1)	YOY		vs 3Q Outlook as of Nov. 2017 (undisclosed)
	1-3Q		
ROUNDUP	↗		Below
Fluralaner	↗↗↗↗↗↗↗		Above
ALTAIR (NC-620)	↗		Below
TARGA	↗		Above
PERMIT	↗↗↗		Above
SIRIUS	↘↘↘		Below
LEIMAY/ORACLE	↗↗↗↗		Below
STARMITE	↘		In Line
PULSOR (THIFLUZAMIDE)	↘		Below
SANMITE	↗↗↗↗		Below

Pharma	YOY		vs 3Q Outlook as of Nov. 2017 (undisclosed)
	3Q	1-3Q	
LIVALO	-20%	-14%	Above
Custom Chemicals	+21%	+14%	Below

## YOY Change

+50% ~	↗↗↗↗↗↗↗
+40 ~ +50%	↗↗↗↗↗
+30 ~ +40%	↗↗↗↗
+20 ~ +30%	↗↗↗
+10 ~ +20%	↗↗
+0 ~ +10%	↗
-0 ~ -10%	↘
-10 ~ -20%	↘↘
-20 ~ -30%	↘↘↘
-30% ~	↘↘↘↘

(1) Before discount



# Profit Overview - Chemicals

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of Nov. 2017
	3Q	3Q	3Q	3Q	3Q
<b>Sales</b>	9.1	9.2	+0.1	+2%	9.2
<b>Fine</b>	2.7	2.8	+0.1	+6%	2.6
<b>Basic</b>	6.4	6.4	+0.0	+0%	6.6
<b>OP</b>	1.3	1.2	-0.1	-2%	1.2

## 3Q FY2017 Review

<vs. 3Q FY2016>

### (Fine Chemicals)

- ◆ Sales of TEPIC for both general applications and electronic materials up
- ◆ Sales of environmental related products up
- ◆ Sales up, OP up

### (Basic Chemicals)

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

### (Total Segment)

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

## 3Q FY2017 Review

<vs. 3Q FY2017 Outlook as of Nov. 2017>

### (Fine Chemicals)

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

### (Basic Chemicals)

- ◆ Sales of melamine below target
- ◆ Sales of high purity sulfuric acid above target
- ◆ Sales of urea including AdBlue above target
- ◆ Sales below target, OP in line with target

### (Total Segment)

- ◆ Sales in line with target, OP in line with target

# Profit Overview - Performance Materials

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of Nov. 2017
	3Q	3Q	3Q	3Q	3Q
<b>Sales</b>	13.8	15.1	+1.3	+9%	14.6
<b>OP</b>	3.8	4.0	+0.2	+6%	3.3

## 3Q FY2017 Review

<vs. 3Q FY2016>

- ◆ SUNEVER sales up (IPS/FFS up, VA up, TN down)
- ◆ Total Semis Materials sales up  
(KrF, ArF and other semis materials up)
- ◆ Inorganic Materials sales up  
(SNOWTEX up, Organo/Monomer sol down)
- ◆ Fixed cost up ¥0.9 billion (including R&D)
- ◆ Sales up ¥1.3 billion, OP up ¥0.2 billion

## 3Q FY2017 Review

<vs. 3Q FY2017 Outlook as of Nov. 2017>

- ◆ SUNEVER sales above target  
(IPS/FFS in line with target, VA and TN above target)
- ◆ Total Semis Materials sales above target  
(KrF and ArF above target, other semis materials below target)
- ◆ Inorganic Materials sales above target  
(SNOWTEX above target, Organo/Monomer sol below target)
- ◆ fixed cost below expectations (¥0.3 billion)
- ◆ Inventory adjustment cost below expectations (¥0.2 billion)
- ◆ Sales up ¥0.5 billion, OP up ¥0.7 billion

1H FY2017 Review : See “Presentation Materials for the 2Q of FY2017” (announced on Nov. 6, 2017)

# Profit Overview - Agrochemicals

					(¥billion)
	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of Nov. 2017
	3Q	3Q	3Q	3Q	3Q
Sales	4.2	6.4	+2.2	+49%	7.0
OP	-2.0	-0.6	+1.4	-	-0.8

## 3Q FY2017 Review

<vs. 3Q FY2016>

- ◆ Sales up : PERMIT(export), PULSOR (export), TARGA(export), LEIMAY(export), Fluralaner
- ◆ Sales down : ROUNDUP, SIRIUS, ALTAIR
- ◆ Sales up ¥2.2 billion, OP up ¥1.4 billion

## 3Q FY2017 Review

<vs. 3Q FY2017 Outlook as of Nov. 2017>

- ◆ Sales above target : TARGA, PERMIT, Fluralaner
- ◆ Sales below target : ROUNDUP, SANMITE, LEIMAY, ALTAIR
- ◆ Inventory adjustment cost below expectations (¥0.3 billion)
- ◆ Sales down ¥0.6 billion, OP up ¥0.2 billion

1H FY2017 Review : See “Presentation Materials for the 2Q of FY2017” (announced on Nov. 6, 2017)

# Profit Overview - Pharmaceuticals

(¥billion)

	FY2016 Actual (A)	FY2017 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2017 Outlook as of Nov. 2017
	3Q	3Q	3Q	3Q	3Q
Sales	2.4	2.3	-0.1	-5%	2.3
OP	0.8	0.6	-0.2	-29%	0.5

## 3Q FY2017 Review

<vs. 3Q FY2016>

- ◆ LIVALO sales down  
(domestic sales down due to GE, export up)
- ◆ Custom Chemicals sales up
- ◆ Inventory adjustment cost up ¥0.2 billion
- ◆ Sales down ¥0.1 billion, OP down ¥0.2 billion

## 3Q FY2017 Review

<vs. 3Q FY2017 Outlook as of Nov. 2017>

- ◆ LIVALO sales above target  
(domestic sales in line with target, export above target)
- ◆ Custom Chemicals sales below target
- ◆ Sales flat, OP up ¥0.1 billion

1H FY2017 Review : See “Presentation Materials for the 2Q of FY2017” (announced on Nov. 6, 2017)