

August 3, 2018

# 1Q FY2018 (April 1- June 30, 2018) Financial Results Supplemental Information



**Nissan Chemical**  
CORPORATION

**Institutional  
Investor**  
2018 - ALL-JAPAN EXECUTIVE TEAM

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# 1Q FY2018 Actual

(¥billion)

	FY2017 Actual	FY2018 Actual	Change	FY2018 Outlook as of May2018
	1Q	1Q	1Q	1Q
Sales	47.4	Record 50.9	+3.5	50.9
Operating Profit	10.0	Record 10.7	+0.7	10.5
Non-Operating Income/Expenses	0.9	1.2	+0.3	0.8
Ordinary Income	10.9	Record 11.9	+1.0	11.3
Extraordinary Income/Loss	0.0	0.0	-	0.0
Net Income (1)	7.9	Record 8.8	+0.9	8.4
EBITDA (2)	12.2	13.1	+0.9	-
EPS (¥/share)	52.22	59.25	+7.03	-
OP Margin	21.2%	21.0%	-0.2%	20.6%
FX Rate (¥/\$)	111	109		
Naphtha (¥/kl) (3)	39,100	48,700		
Comprehensive Income	9.5	7.5		

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

(2) EBITDA = Operating Profit + Depreciation

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

# 1Q FY2018 Review

## <vs. 1Q FY2017>

(Sales) ◆Up ¥3.5 billion (+7.3%)

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

(OP) ◆Up ¥0.7 billion (+6.4%)

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

(Ordinary Income) ◆Up ¥1.0 billion (+9.7%)

(Net Income) ◆Up ¥0.9 billion (+12.0%)

(EPS) ◆Up ¥7.03 (+13.5%)

## <vs. 1Q FY2018 Outlook as of May 2018>

(Sales) ◆In line with target

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

(OP) ◆Up ¥0.2 billion

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

(Ordinary Income) ◆Up ¥0.6 billion

(Net Income) ◆Up ¥0.4 billion

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

# FY2017-1Q FY2018 Quarterly Sales by Segment (1)

(¥billion)

	FY2017 Actual					FY2018 Actual		FY2018 Outlook as of May2018
	1Q	2Q	3Q	4Q	Total	1Q	YOY	1Q
<b>Chem</b>	8.8	7.9	9.2	9.0	34.9	8.7	-0.1	9.2
<b>Fine Chemicals</b>	2.8	2.5	2.8	2.5	10.6	2.7	-0.1	2.7
<b>Basic Chemicals</b>	6.0	5.4	6.4	6.5	24.3	6.0	-0.0	6.5
<b>Performance Materials</b>	14.1	15.0	15.1	14.6	58.8	15.6	+1.5	15.2
<b>Agro</b>	14.6	11.5	6.4	25.6	58.1	16.4	+1.8	17.3
<b>Pharma</b>	2.1	1.4	2.3	1.7	7.5	1.8	-0.3	1.9
<b>Trading</b>	14.6	14.5	15.9	14.5	59.5	17.8	+3.2	18.0
<b>Others</b>	5.4	4.3	4.6	7.2	21.5	4.6	-0.8	4.5
<b>Adjustment</b>	-12.2	-11.0	-11.8	-11.9	-46.9	-14.0	-1.8	-15.2
<b>Total</b>	47.4	43.6	41.7	60.7	193.4	50.9	+3.5	50.9

(1) Including inter-segment sales/transfers

# FY2017-1Q FY2018 Quarterly OP by Segment

(¥billion)

	FY2017 Actual					FY2018 Actual		FY2018 Outlook as of May2018
	1Q	2Q	3Q	4Q	Total	1Q	YOY	1Q
Chem	1.5	-0.2	1.2	0.9	3.4	1.6	+0.1	1.7
Performance Materials	3.6	4.1	4.0	2.5	14.2	3.9	+0.3	3.3
Agro	4.5	3.6	-0.6	8.9	16.4	5.1	+0.6	5.6
Pharma	0.5	0.0	0.6	0.1	1.2	0.3	-0.2	0.3
Trading	0.4	0.5	0.5	0.4	1.8	0.6	+0.2	0.5
Others	0.1	0.1	0.1	0.3	0.6	0.1	-0.0	0.0
Adjustment	-0.6	-0.8	-0.7	-0.5	-2.6	-0.9	-0.3	-0.9
<b>Total</b>	<b>10.0</b>	<b>7.3</b>	<b>5.1</b>	<b>12.6</b>	<b>35.0</b>	<b>10.7</b>	<b>+0.7</b>	<b>10.5</b>

# 1Q FY2018 Sales Review

vs. 1Q FY2017 and vs. 1Q FY2018 Outlook as of May 2018(undisclosed)

Chem		YOY	vs Outlook
		1Q	1Q
Fine Chem	TEPIC	-9%	Above
	Environmental related products	+7%	In Line
Basic Chem	Melamine	+14%	Below
	Urea including AdBlue	-6%	Below
	High purity sulfuric acid	-6%	Below

## Performance Materials

		YOY	vs Outlook
		1Q	1Q
Display	Total SUNEVER	+6%	Above
	Other Display Materials	+9%	Above
	Total Display Materials	+6%	Above
Semiconductor	KrF (ARC®)	+1%	Above
	ArF (ARC®)	+27%	Above
	Total	+18%	Above
	Other Semiconductors Materials (1)	+52%	Below
	Total Semiconductors Materials	+25%	Above
SNOWTEX		+2%	Below
Organo / Monomer Sol		-1%	In Line
Oilfield Materials		+87%	Above
Total Inorganic Materials		+9%	Above











(1) Other Semiconductors Materials:

Multi layer process materials (OptiStack®), EUV under layer, CMOS image sensor materials, 3D packaging process materials, etc.

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









# 1Q FY2018 Sales Review

vs. 1Q FY2017 and vs. 1Q FY2018 Outlook as of May 2018(undisclosed)

Agro(1)	YOY	vs Outlook
	1Q	1Q
ROUNDUP		Below
Fluralaner		In Line
ALTAIR (NC-620)		Above
TARGA		Below
PERMIT		Above
LEMAY/ORACLE		Above
SIRIUS		Below
PULSOR (THIFLUZAMIDE)		Above
STARMITE		Above
SANMITE		Below

Pharma	YOY	vs Outlook
	1Q	1Q
LIVALO	-20%	Above
Custom Chemicals	+10%	Below

### YOY Change

+30% ~	
+20 ~ +29%	
+10 ~ +19%	
+0 ~ +9%	
-0 ~ -9%	
-10 ~ -19%	
-20 ~ -29%	
-30% ~	

(1) Before discount



# Profit Overview - Chemicals

(¥billion)

	FY2017 Actual (A)	FY2018 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2018 Outlook as of May 2018
	1Q	1Q	1Q	1Q	1Q
<b>Sales</b>	8.8	8.7	-0.1	-2%	9.2
<b>Fine</b>	2.8	2.7	-0.1	-3%	2.7
<b>Basic</b>	6.0	6.0	-0.0	-1%	6.5
<b>OP</b>	1.5	1.6	+0.1	+3%	1.7

## 1Q FY2018 Review

<vs. 1Q FY2017>

### (Fine Chemicals)

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

### (Basic Chemicals)

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

### (Total Segment)

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

## 1Q FY2018 Review

<vs. 1Q FY2018 Outlook as of May 2018>

### (Fine Chemicals)

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

### (Basic Chemicals)

- ◆ Sales of melamine below target
- ◆ Sales of high purity sulfuric acid below target
- ◆ Sales of urea including AdBlue below target
- ◆ Price increases below expectations
- ◆ Feedstock cost up below expectations
- ◆ Sales below target, OP below target

### (Total Segment)

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

# Profit Overview - Performance Materials

(¥billion)

	FY2017 Actual (A)	FY2018 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2018 Outlook as of May 2018
	1Q	1Q	1Q	1Q	1Q
<b>Sales</b>	14.1	15.6	+1.5	+11%	15.2
<b>OP</b>	3.6	3.9	+0.3	+9%	3.3

## 1Q FY2018 Review

<vs. 1Q FY2017>

- ◆ SUNEVER sales up (IPS/FFS up, TN up, VA down)
- ◆ Total Semis Materials sales up  
(KrF, ArF and other semis materials up)
- ◆ Inorganic Materials sales up  
(SNOWTEX up, Organo/Monomer sol down,  
Oilfield Materials up)
- ◆ Fixed cost up ¥0.6 billion (including R&D)
- ◆ Sales up ¥1.5 billion, OP up ¥0.3 billion  
(OP: DP up, Semis up, Inorganic flat)

## 1Q FY2018 Review

<vs. 1Q FY2018 Outlook as of May 2018>

- ◆ SUNEVER sales above target  
(IPS/FFS above target, VA and TN below target)
- ◆ Total Semis Materials sales above target  
(KrF and ArF above target, other semis materials below target)
- ◆ Inorganic Materials sales above target  
(SNOWTEX below target, Organo/Monomer sol in line with target,  
Oilfield Materials above target)
- ◆ Fixed cost below expectations (¥0.4 billion)
- ◆ Sales up ¥0.4 billion, OP up ¥0.6 billion  
(OP: DP up, Semis up, Inorganic up)

# Profit Overview - Agrochemicals

					(¥billion)
	FY2017 Actual (A)	FY2018 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2018 Outlook as of May 2018
	1Q	1Q	1Q	1Q	1Q
Sales	14.6	16.4	+1.8	+12%	17.3
OP	4.5	5.1	+0.6	+13%	5.6

## 1Q FY2018 Review

<vs. 1Q FY2017>

- ◆ Sales up : Fluralaner, ALTAIR(domestic), TARGA(export), PERMIT(export), STARMITE(export), PULSOR(export), GRACIA(export)
- ◆ Sales down : ROUNDUP, LEIMAY(export), SANMITE(export)
- ◆ Fixed cost up ¥0.3 billion
- ◆ Sales up ¥1.8 billion, OP up ¥0.6 billion

## 1Q FY2018 Review

<vs. 1Q FY2018 Outlook as of May 2018>

- ◆ Sales above target : ALTAIR(domestic), LEIMAY(export), STARMITE(export), PULSOR(domestic)
- ◆ Sales below target : ROUNDUP, TARGA(export), GRACIA(export)
- ◆ Fluralaner sales in line with target
- ◆ Fixed cost below expectations (¥0.2 billion) (including R&D)
- ◆ Sales down ¥0.9 billion, OP down ¥0.5 billion

# Profit Overview - Pharmaceuticals

(¥billion)

	FY2017 Actual (A)	FY2018 Actual (B)	Change (B) - (A)	Change(%) (B) - (A)	FY2018 Outlook as of May 2018
	1Q	1Q	1Q	1Q	1Q
<b>Sales</b>	2.1	1.8	-0.3	-14%	1.9
<b>OP</b>	0.5	0.3	-0.2	-52%	0.3

## 1Q FY2018 Review

<vs. 1Q FY2017>

- ◆ LIVALO sales down  
(domestic sales down due to GE, export down)
- ◆ Custom Chemicals sales up
- ◆ Sales down ¥0.3 billion, OP down ¥0.2 billion

## 1Q FY2018 Review

<vs. 1Q FY2018 Outlook as of May 2018>

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