

May 14, 2021

Presentation for Investors

FY2020 (April 1, 2020 – March 31, 2021)

Financial Results

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Translation of presentation materials for the investor briefing held on May 14, 2021



2020 Award for Excellence
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Nissan Chemical
CORPORATION

**Institutional
Investor**

2021 JAPAN EXECUTIVE TEAM
MOST HONORED COMPANY

NISSAN CHEMICAL CORPORATION

Changes in Accounting Policies

1.Changes in accounting policies:

Adoption of the Accounting Standard for the Revenue Recognition (ASBJ Statement No.29)

2.Timing of adoption: April 1, 2021 (From FY2021)

3.Major effects on PL, BS due to the changes:

A. Agent transactions

(Mainly effected segments) Chemicals, Agrochemicals, Trading
 (Before adoption) Sales = gross amount from the customer, Sales expenses = amount paid to the supplier
 (After adoption) Sales = gross amount from the customer - amount paid to the supplier
 (Estimated impact on FY2021 PL Outlook)
 Sales and sales expenses down ¥44.6 billion (parent company ¥2.3 billion, Trading segment ¥42.3 billion)
 (including in adjustment in sales by segment)

B. Royalties based on sales amount

(Mainly effected segments) Agrochemicals (Fluralaner running royalties)

	MSD* sales	Jan. - March	April - June	July - Sept.	Oct. -Dec.
Before adoption (until FY2020)	NCC Royalties	August (2Q)		February (following year) (4Q)	
After adoption (from FY2021)		May (1Q)	August (2Q)	November (3Q)	February (following year) (4Q)

*MSD: MSD Animal Health, the global animal health business unit of Merck

C. Sales discount subject to change at the selling timing

(Mainly effected segments) Agrochemicals
 (Before adoption) Recognized when discount is finally fixed
 (After adoption) Recognized corresponding to sales period based on reasonable estimation
 (Estimated impact on FY2021 BS)

The cumulative effect (¥2.1 billion) of retroactively applying (C) is deducted from the beginning FY2021 retained earnings (BS item)
 Sales discount amount trend after adoption vs. before adoption: 1Q up(negative impact), 2Q up, 1H up, 2H down, Total flat

		Sales discount
Before adoption	FY2020	AY2019* (Oct. 2019 - Sept. 2020)
After adoption	FY2020	AY2019* (Oct. 2019 - Sept. 2020) + October 2020 - March 2021(= ¥2.1 billion)
	FY2021	April 2021 - March 2022

AY2019* = Agrochemical Year (from Oct. 2019 to Sept. 2020)

Highlight

1. 2H FY2020 Actual Review

(1) vs. 2H FY2019

- ◆ OP up ¥3.9 billion (+19%) (2H FY2020 Actual ¥24.5 billion vs. 2H FY2019 Actual ¥20.6 billion)
Performance Materials, Chemicals and Agrochemicals up, Pharma flat
- ◆ Net Income up ¥3.3 billion (+20%) (2H FY2020 Actual ¥19.6 billion vs. 2H FY2019 Actual ¥16.3 billion)

(2) vs. 2H FY2020 Outlook as of November 2020

- ◆ OP up ¥2.2 billion (2H FY2020 Actual ¥24.5 billion vs. 2H FY2020 Outlook ¥22.3 billion)
Chemicals and Performance Materials above target, Agrochemicals and Pharma below target
- ◆ Net Income up ¥2.1 billion (2H FY2020 Actual ¥19.6 billion vs. 2H FY2020 Outlook ¥17.5 billion)

*Net Income = Profit Attributable to Owners of Parent

2. Full Year FY2020 Actual Review

(1) vs. Full Year FY2019

- ◆ OP up ¥3.9 billion (+10%) (FY2020 Actual ¥42.5 billion vs. FY2019 Actual ¥38.6 billion)
Chemicals and Performance Materials up, Agrochemicals and Pharma down
- ◆ Net Income up ¥2.7 billion (+9%) (FY2020 Actual ¥33.5 billion vs. FY2019 Actual ¥30.8 billion)
- ◆ **As a result, despite COVID-19, OP and Ordinary Income renewed the annual highest results in 7 consecutive years, and Net Income renewed the annual highest results in 8 consecutive years**
- ◆ ROE reached 17.5%, higher than FY2019 Actual 16.9% and 16.6% target as of Nov. 2020
(Mid-term Plan target : above 16%)

Highlight

2. Full Year FY2020 Actual Review

(2) Shareholders Return

- ◆ Annual dividend up ¥14/share (FY2020 Actual ¥104 = 1H 46 + 2H 58 vs. FY2019 Actual ¥90 = 1H 42 + 2H 48), up ¥6/share vs. ¥98/share target as of Nov. 2020
- ◆ **Dividend increasing in 9 consecutive years**
- ◆ Dividend payout ratio reached 44.9% (FY2019 Actual 42.8%, Mid-term Plan FY2020 target 45%)
- ◆ Completed ¥10.0 billion share repurchase (FY2019 Actual ¥10.0 billion)
- ◆ Total payout ratio 74.6% (FY2019 Actual 75.1% and Mid-term Plan FY2020 target 75%)

3. Full Year FY2021 Outlook

*Net Income = Profit Attributable to Owners of Parent

(1) vs. Full Year FY2020

- ◆ OP up ¥1.1 billion (+3%) (FY2021 Outlook ¥43.6 billion vs. FY2020 Actual ¥42.5 billion)
Chemicals and Performance Materials up, Agrochemicals and Pharma down
- ◆ Net Income up ¥0.6 billion (+2%) (FY2021 Outlook ¥34.1 billion vs. FY2020 Actual ¥33.5 billion)
- ◆ ROE 17.0%, lower than FY2020 Actual 17.5%, but higher than Mid-term Plan target (above 16%)

(2) Shareholders Return

- ◆ Annual dividend up ¥4/share (FY2021 Outlook ¥108= 1H 48 + 2H 60 vs. FY2020 Actual ¥104 = 1H 46 + 2H 58)
- ◆ **Dividend increasing in 10 consecutive years**
- ◆ Dividend payout ratio 45.2% vs. FY2020 Actual 44.9%, Mid-term Plan FY2021 target 45.0%
- ◆ Announced a ¥7.0 billion share repurchase program on May 14, 2021
- ◆ Total payout ratio expected to be 65.7% taking into account of ¥108/share dividend and ¥7.0 billion share repurchase program (Mid-term Plan FY2021 target: 75%)

(3) vs. Full Year FY2021 Mid-term Plan announced in May 2019

- ◆ Despite COVID-19, OP up ¥0.6 billion (FY2021 Outlook ¥43.6 billion vs. Mid-term Plan Target ¥43.0 billion)
Performance Materials above target, Chemicals, Agrochemicals and Pharma below target
- ◆ Net Income up ¥1.1 billion (FY2021 Outlook ¥34.1 billion vs. Mid-term Plan Target ¥33.0 billion)

FY2020 PL⁽¹⁾

(¥billion)

	FY2019			FY2020			Change			Change (%)	FY2020 Outlook as of Nov. 2020		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	Total	1H Actual	2H	Total
Sales	96.5	110.3	206.8	94.5	114.6	Record 209.1	-2.0	+4.3	+2.3	+1%	94.5	115.0	209.5
Operating Profit	18.0	20.6	38.6	18.0	24.5	Record 42.5	0.0	+3.9	+3.9	+10%	18.0	22.3	40.3
Non-Operating Income/Expenses	0.6	0.8	1.4	0.2	1.2	1.4	-0.4	+0.4	0.0	-	0.2	0.6	0.8
Ordinary Income	18.6	21.4	40.0	18.2	25.7	Record 43.9	-0.4	+4.3	+3.9	+10%	18.2	22.9	41.1
Extraordinary Income/Loss	0.9	0.1	1.0	1.1	0.5	1.6	+0.2	+0.4	+0.6	-	1.1	0.5	1.6
Net Income (2)	14.5	16.3	30.8	13.9	19.6	Record 33.5	-0.6	+3.3	+2.7	+9%	13.9	17.5	31.4
EBITDA (3)	22.7	26.5	49.2	22.8	30.2	53.0	+0.1	+3.7	+3.8	+8%	22.8	27.9	50.7
EPS (¥/share)	98.75	111.34	210.09	95.96	135.77	231.73	-2.79	+24.43	+21.64	+10%	95.96	121.60	217.56
Dividend (¥/share)	42	48	90	46	58	104	+4	+10	+14		46	52	98
Total amount of Dividend	6.2	6.9	13.1	6.6	8.4	15.0	+0.4	+1.5	+1.9		6.6	7.5	14.1
OP Margin	18.7%	18.7%	18.7%	19.0%	21.4%	20.3%	+0.3%	+2.7%	+1.6%		19.0%	19.4%	19.2%
ROE	-	-	16.9%	-	-	17.5%	-	-	+0.6%		-	-	16.6%
FX Rate (¥/\$)	109	109	109	107	105	106					107	105	
Crude Oil (JCC) (\$/bbl) (4)	69	67	68	36	50	43					36	44	

(1) FY2020 = April 1, 2020 - March 31, 2021

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

(3) EBITDA = Operating Profit + Depreciation and amortization

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

2H FY2020 Review

< vs. 2H FY2019 >

(Sales) ◆ Up ¥ 4.3 billion (+4%) (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Up ¥ 3.9 billion (+19%) (−) Chemicals
(+) Chemicals, Performance Materials, Agrochemicals, Trading

(Ordinary Income) ◆ Up ¥ 4.3 billion (+20%)

(Net Income) ◆ Up ¥ 3.3 billion (+20%)

(EPS) ◆ Up ¥ 24.43 (+22%)

(±) Pharmaceuticals

< vs. 2H FY2020 Outlook as of November 2020 >

(Sales) ◆ Down ¥ 0.4 billion (+) Chemicals, Performance Materials, Trading

(OP) ◆ Up ¥ 2.2 billion (−) Agrochemicals, Pharmaceuticals

(+) Chemicals, Performance Materials, Trading

(Ordinary Income) ◆ Up ¥ 2.8 billion

(Net Income) ◆ Up ¥ 2.1 billion

(EPS) ◆ Up ¥ 14.17

(−) Agrochemicals, Pharmaceuticals

FY2020 Review

< vs. FY2019 >

(Sales) ◆ Up ¥ 2.3 billion (+1%) (+) Performance Materials, Trading
(-) Chemicals, Agrochemicals, Pharmaceuticals
(OP) ◆ Up ¥ 3.9 billion (+10%) (+) Chemicals, Performance Materials, Trading
(-) Agrochemicals, Pharmaceuticals

(OP Margin) ◆ 20.3% More than 10% OP Margin in 18 consecutive years since FY2003

(Ordinary Income) ◆ Up ¥ 3.9 billion (+10%)

(Extraordinary Income/Loss) ◆ Up ¥ 0.6 billion

FY2020 Up ¥1.6 billion

(Gain on sales of investment securities ¥1.6 billion,
sales amount ¥3.1 billion, sold 15 listed companies shares,
sold 100% of our shareholdings of 11 listed companies)

FY2019 Up ¥1.0 billion

(Net Income) ◆ Up ¥ 2.7 billion (+9%)

(EPS) ◆ Up ¥ 21.64 (+10%)

(ROE) ◆ 17.5% (FY2019: 16.9%)

★ OP and Ordinary Income renewed the highest results of a full year in 7 consecutive years.

★ Net Income renewed the highest results of a full year in 8 consecutive years.

< Shareholders Return >

(Dividend) ◆ 1H ¥46/share, 2H ¥58/share, total ¥104/share

(Dividend Payout Ratio : 44.9%, up +2.1% vs. FY2019)

(total up ¥14/share vs. FY2019) (up ¥6/share vs. FY2020 Outlook as of November 2020)

(Share Repurchase) ◆ ¥10.0 billion, 1.8 million shares completed (FY2019: ¥10.0 billion, 2.1 million shares)

(Cancellation of Shares) ◆ 1 million shares (August 2020)

(Total Payout Ratio) ◆ 74.6% (achieved Mid-term Plan target 75%)

2H FY2020 PL

(¥billion)

	FY2019			FY2020			Change			FY2020 Outlook as of Nov. 2020		
	3Q	4Q	2H	3Q	4Q	2H	3Q	4Q	2H	3Q	4Q	2H
Sales	41.5	68.8	110.3	43.7	70.9	114.6	+2.2	+2.1	+4.3	44.7	70.3	115.0
Operating Profit (1)	3.5	17.1	20.6	5.6	18.9	24.5	+2.1	+1.8	+3.9	4.2	18.1	22.3
Non-Operating Income/Expenses	0.5	0.3	0.8	0.2	1.0	1.2	-0.3	+0.7	+0.4	0.5	0.1	0.6
Ordinary Income (1)	4.0	17.4	21.4	5.8	19.9	25.7	+1.8	+2.5	+4.3	4.7	18.2	22.9
Extraordinary Income/Loss	0.0	0.1	0.1	0.0	0.5	0.5	0.0	+0.4	+0.4	0.0	0.5	0.5
Net Income (1)(2)	3.1	13.2	16.3	4.5	15.1	19.6	+1.4	+1.9	+3.3	3.7	13.8	17.5
EBITDA (3)	6.3	20.2	26.5	8.3	21.9	30.2	+2.0	+1.7	+3.7	-	-	27.9
EPS (¥/share) (1)	21.18	90.16	111.34	30.97	104.80	135.77	+9.79	+14.64	+24.43	-	-	121.60
Dividend (¥/share)	-	-	48	-	-	58	-	-	+10	-	-	52
Total amount of Dividend	-	-	6.9	-	-	8.4	-	-	+1.5	-	-	7.5
OP Margin (1)	8.4%	24.9%	18.7%	12.8%	26.8%	21.4%	+4.4%	+1.9%	+2.7%	9.4%	25.7%	19.4%

(1) FY2019 Actual: Amortization expense of the fungicide QUINTEC (QUINOXYFEN) business, which was provisionally calculated with an amortization period of 5 years at that time, was revised to the final value of 8.4 years (weighted average) amortization after the accounting audit. As a result, OP and ordinary income have been revised by about +80 million yen and net income has been revised by about +60 million yen from the figures announced in 3Q FY2019. The only affected segment is Adjustment. Only the breakdown of 3Q and 4Q FY2019 has been revised, and there is no effect on 2H FY2019 and full year FY2019.

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

(3) EBITDA = Operating Profit + Depreciation and amortization

3Q FY2020 Review

< vs. 3Q FY2019 >

(Sales) ◆ Up ¥ 2.2 billion (+5%) (+) Performance Materials, Agrochemicals, Trading

(-) Chemicals, Pharmaceuticals

(OP) ◆ Up ¥ 2.1 billion (+60%) (+) Chemicals, Performance Materials, Agrochemicals, Trading

(-) Pharmaceuticals

(Ordinary Income) ◆ Up ¥ 1.8 billion (+48%)

(Net Income) ◆ Up ¥ 1.4 billion (+45%)

(EPS) ◆ Up ¥ 9.79 (+46%)

< vs. 3Q FY2020 Outlook as of November 2020 >

(Sales) ◆ Down ¥ 1.0 billion (+) Chemicals, Performance Materials

(-) Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Up ¥ 1.4 billion (+) Performance Materials, Trading

(±) Chemicals

(-) Agrochemicals, Pharmaceutical

(Ordinary Income) ◆ Up ¥ 1.1 billion

(Net Income) ◆ Up ¥ 0.8 billion

4Q FY2020 Review

< vs. 4Q FY2019 >

(Sales) ◆ Up	¥ 2.1	billion	(+3%)	(+) Chemicals, Performance Materials, Agrochemicals, Pharmaceuticals, Trading
(OP) ◆ Up	¥ 1.8	billion	(+11%)	(+) Chemicals, Performance Materials, Pharmaceuticals, Trading (±) Agrochemicals
(Ordinary Income) ◆ Up	¥ 2.5	billion	(+14%)	
(Net Income) ◆ Up	¥ 1.9	billion	(+15%)	
(EPS) ◆ Up	¥ 14.64		(+16%)	

< vs. 4Q FY2020 Outlook as of November 2020 >

(Sales) ◆ Up	¥ 0.6	billion		(+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading (±) Chemicals
(OP) ◆ Up	¥ 0.8	billion		(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceutical
(Ordinary Income) ◆ Up	¥ 1.7	billion		
(Net Income) ◆ Up	¥ 1.3	billion		

FY2020 Actual, FY2021 Outlook

Non-Operating Income/Expenses, Extraordinary Income/Loss

(¥billion)

	FY2019 Actual	FY2020 Outlook as of Nov. 2020	FY2020 Actual	FY2021 Outlook
Non-Operating Income	2.61	2.42	2.79	2.67
Interest income, dividend income	0.82	0.77	1.00	0.65
Equity in earnings of affiliates, others	1.79	1.65	1.79	2.02
Non-Operating Expenses	1.26	1.61	1.43	1.33
Interest expense	0.12	0.09	0.07	0.08
Loss on disposal of non-current assets, others	1.14	1.52	1.36	1.25
Non-Operating Income/Expenses	1.35	0.81	1.36	1.34
Extraordinary Income (1)	1.83	1.60	1.59	1.60
Extraordinary Loss	0.83	0.00	0.00	0.00
Extraordinary Income/Loss	1.00	1.60	1.59	1.60

(1) Gain on sales of investment securities

FY2020 Actual, FY2021 Outlook

Cash Flows

(¥billion)

	FY2019 Actual	FY2020 Outlook as of Nov. 2020	2020 Actual	FY2021 Outlook
CF from operating activities	35.5	35.0	39.9	40.7
Income before income taxes & non-controlling interests	41.0	42.7	45.5	45.8
Loss (gain) on sales of securities	-1.8	-1.6	-1.6	-1.6
Depreciation and amortization (1)	10.5	10.4	10.4	11.1
Income taxes paid	-8.4	-11.4	-11.1	-12.3
Working capital, others	-5.8	-5.1	-3.3	-2.3
CF from investing activities	-15.6	-9.4	-12.8	-18.1
Purchase of PPE	-8.9	-9.9	-8.2	-16.1
Purchase and sales of investment securities	2.5	2.1	2.9	1.9
Others (2)	-9.2	-1.6	-7.5	-3.9
CF from financing activities	-25.2	-25.1	-25.6	-27.4
Payout to shareholders (dividend)	-12.4	-23.1	-13.6	-25.7
Payout to shareholders (share repurchase)	-10.0		-10.0	
Borrowings	-1.9	-2.0	-2.0	-1.7
Others (3)	-0.9	0.0	0.0	0.0
Effect of exchange rate change on cash & cash equivalents	-0.3	0.0	0.3	0.0
Change in cash & cash equivalents	-5.6	0.5	1.8	-4.8
Cash & cash equivalents at end of period	30.6	31.1	32.4	27.6

(1) Including amortization of goodwill

(2) FY2019 Actual: Payments for acquisition of QUINTEC -6.3, Others -2.9、

FY2020 Actual: Payment for acquisition of DITHANE -5.4, Others -2.1

(3) FY2019 Actual: Share repurchase related to Introduction of a performance-linked stock compensation plan -0.8, Others -0.1

FY2020 Balance Sheets

(¥billion)

	2020/3	2021/3	Change
Current assets	154.2	159.6	+5.4
Cash	30.6	32.4	+1.8
Accounts receivable	72.5	73.9	+1.4
Inventories	43.9	46.7	+2.8
Others	7.2	6.6	-0.6
Fixed assets	95.3	105.9	+10.6
Total PPE	51.6	51.8	+0.2
Intangible assets	7.4	12.1	+4.7
Investment securities*	30.9	35.9	+5.0
Others	5.4	6.1	+0.7
Total assets	249.5	265.5	+16.0

*Investment securities

Listed shares (1)	20.7	24.4	+3.7
Unlisted shares	2.6	2.7	+0.1
Subsidiaries/Associates shares	7.6	8.8	+1.2
Total	30.9	35.9	+5.0

	2020/3	2021/3	Change
Liabilities	64.0	64.9	+0.9
Accounts payable	16.9	16.3	-0.6
Borrowings	24.6	22.7	-1.9
Others	22.5	25.9	+3.4
Net assets	185.5	200.6	+15.1
Shareholders' equity	177.1	186.9	+9.8
Valuation difference on available-for-sale securities	7.8	11.4	+3.6
Foreign currency translation adjustment	-0.9	0.1	+1.0
Non-controlling interests	1.6	1.7	+0.1
Remeasurements of defined benefit plans	-0.1	0.5	+0.6
Total liabilities & Net assets	249.5	265.5	+16.0

• Equity Ratio 73.7% 74.9%

• D/E Ratio (2) -3.4% -5.2%

• Change in shareholders' equity +9.8

= Net Income 33.5 - Dividend and others 23.7

(1)2020/3 20.7 + Acquisition 0 - Sales 1.5 + Valuation difference 5.2 = 2021/3 24.4

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

FY2021 Outlook (1)

(¥billion)

	FY2020 Actual					FY2021 Outlook					Change					Change (%)
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	Total
Sales	49.3	45.2	94.5	114.6	209.1	40.0	36.5	76.5	96.0	172.5	-9.3	-8.7	-18.0	-18.6	-36.6	-18%
Operating Profit	9.8	8.2	18.0	24.5	42.5	9.8	7.9	17.7	25.9	Record 43.6	0.0	-0.3	-0.3	+1.4	+1.1	+3%
Non-Operating Income/Expenses	0.6	-0.4	0.2	1.2	1.4	0.4	-0.1	0.3	1.0	1.3	-0.2	+0.3	+0.1	-0.2	-0.1	-
Ordinary Income	10.4	7.8	18.2	25.7	43.9	10.2	7.8	18.0	26.9	Record 44.9	-0.2	0.0	-0.2	+1.2	+1.0	+2%
Extraordinary Income/Loss (2)	0.0	1.1	1.1	0.5	1.6	0.0	1.0	1.0	0.6	1.6	0.0	-0.1	-0.1	+0.1	0.0	-
Net Income (3)	7.6	6.3	13.9	19.6	33.5	7.5	6.5	14.0	20.1	Record 34.1	-0.1	+0.2	+0.1	+0.5	+0.6	+2%
EBITDA (4)	12.1	10.7	22.8	30.2	53.0	-	-	22.7	32.0	54.7	-	-	-0.1	+1.8	+1.7	+3%
EPS (¥/share)	52.38	43.58	95.96	135.77	231.73	-	-	98.03	141.15	239.18	-	-	+2.07	+5.38	+7.45	+3%
Dividend (¥/share)	-	-	46	58	104	-	-	48	60	108	-	-	+2	+2	+4	
Total amount of Dividend	-	-	6.6	8.4	15.0	-	-	6.8	8.6	15.4	-	-	+0.2	+0.2	+0.4	
OP Margin	19.9%	18.1%	19.0%	21.4%	20.3%	24.5%	21.6%	23.1%	27.0%	25.3%	+4.6%	+3.5%	+4.1%	+5.6%	+5.0%	
ROE	-	-	-	-	17.5%	-	-	-	-	17.0%						-0.5%
FX Rate (¥/\$)	108	106	107	105	106	107	107	107	107	107						
Crude Oil (JCC) (\$/bbl) (5)	31	41	36	50	43	55	55	55	55	55						

(1) FY2021 Outlook: Major effects of changes in accounting policies (see p2):

(a) Impact of agent transactions: 1H ¥-20.6 B, 2H ¥-24.0 B, total ¥-44.6 B (reflected in sales above, included in adjustment in segment sales info)

Impact of sales discount: 1H ¥-1.0 B, 2H ¥+1.0 B, total flat (reflected in sales above, included in Agro segment sales)

Total: 1H ¥-21.6 B, 2H ¥-23.0 B, total ¥-44.6 B

(b) OP and Ordinary Income: 1H ¥-1.0 B, 2H ¥+1.0 B, total flat (Agrochemicals)

(c) Net Income: 1H ¥-0.7 B, 2H ¥+0.7 B, total flat

(2) FY2021 Outlook: Gain on sales of investment securities ¥1.6 B

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

(4) EBITDA = Operating Profit + Depreciation and amortization

(5) FY2020 Actual: Based on Trade Statistics of Japan Ministry of Finance

FY2021 Outlook

< vs. FY2020 >

(Sales) ◆ Down ¥ 36.6 billion (-18%) (+) Chemicals, Performance Materials, Agrochemicals, Trading
(Including sales decrease due to changes in accounting policies (see p2))

(OP) ◆ Up ¥ 1.1 billion (+3%) (–) Pharmaceuticals
(+) Chemicals, Performance Materials
(–) Agrochemicals, Pharmaceuticals, Trading

(Ordinary Income) ◆ Up ¥ 1.0 billion (+2%)

(Net Income) ◆ Up ¥ 0.6 billion (+2%)

(EPS) ◆ Up ¥ 7.45 (+3%)

(ROE) ◆ 17.0% (FY2020: 17.5%)

★ OP and Ordinary Income expected to renew the highest results of a full year in 8 consecutive years.

★ Net Income expected to renew the highest results of a full year in 9 consecutive years.

< Shareholders Return >

(Dividend) ◆ 1H ¥48/share, 2H ¥60/share, total ¥108/share (up total ¥4 vs. FY2020)

Dividend Payout Ratio : 45.2% (up +0.3% vs. FY2020) (Mid-term Plan target 45%)

(Share Repurchase) ◆ ¥7.0 billion, announced on May 14, 2021

(¥10.0 billion, 1.8 million shares in FY2020 actual)

(Total Payout Ratio) ◆ 65.7% (Based on ¥108/share dividend and ¥7.0 billion share repurchase)

(Mid-term Plan target 75%)

1Q and 1H FY2021 Outlook

< 1Q FY2021 vs. 1Q FY2020 >

(Sales) ◆ Down ¥ 9.3 billion (-19%)
(see p2)

(+) Chemicals, Performance Materials

(-) Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Flat ¥ 0.0 billion (0%)

(+) Chemicals, Performance Materials

(-) Agrochemicals, Pharmaceuticals, Trading

(Ordinary Income) ◆ Down ¥ 0.2 billion (-2%)

(Net Income) ◆ Down ¥ 0.1 billion (-1%)

< 1H FY2021 vs. 1H FY2020 >

(Sales) ◆ Down ¥ 18.0 billion (-19%)
(see p2)

(+) Chemicals, Performance Materials

(-) Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Down ¥ 0.3 billion (-2%)

(+) Chemicals, Performance Materials, Pharmaceutical

(-) Agrochemicals, Trading

(Ordinary Income) ◆ Down ¥ 0.2 billion (-1%)

(Net Income) ◆ Up ¥ 0.1 billion (+1%)

FY2020 Sales by Segment (1)(2)(3)

(¥billion)

	FY2019					FY2020					Change					FY2020 Outlook as of Nov. 2020				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H Actual	3Q	4Q	2H	Total
Chem	16.8	8.7	8.8	17.5	34.3	14.7	8.3	8.9	17.2	31.9	-2.1	-0.4	+0.1	-0.3	-2.4	14.7	8.1	8.9	17.0	31.7
Fine	5.2	2.6	2.7	5.3	10.5	5.4	2.8	3.2	6.0	11.4	+0.2	+0.2	+0.5	+0.7	+0.9	5.4	2.9	3.5	6.4	11.8
Basic	11.6	6.1	6.1	12.2	23.8	9.3	5.5	5.7	11.2	20.5	-2.3	-0.6	-0.4	-1.0	-3.3	9.3	5.2	5.4	10.6	19.9
P.M	31.4	17.0	17.1	34.1	65.5	34.6	19.2	17.8	37.0	71.6	+3.2	+2.2	+0.7	+2.9	+6.1	34.6	17.5	17.7	35.2	69.8
Agro	27.9	5.5	30.6	36.1	64.0	25.7	6.3	31.8	38.1	63.8	-2.2	+0.8	+1.2	+2.0	-0.2	25.7	8.2	30.7	38.9	64.6
Pharma	3.4	1.6	2.0	3.6	7.0	3.0	1.4	2.3	3.7	6.7	-0.4	-0.2	+0.3	+0.1	-0.3	3.0	1.6	2.2	3.8	6.8
D.D	2.1	0.9	1.0	1.9	4.1	1.5	0.6	0.8	1.4	2.9	-0.6	-0.3	-0.2	-0.6	-1.2	1.5	0.6	0.9	1.5	3.0
C.C	1.3	0.6	1.0	1.6	2.9	1.5	0.8	1.5	2.3	3.8	+0.2	+0.2	+0.5	+0.7	+0.9	1.5	1.0	1.3	2.3	3.8
Trading	33.3	17.5	17.1	34.6	67.9	33.7	17.8	18.3	36.1	69.8	+0.4	+0.3	+1.2	+1.5	+1.9	33.7	17.9	17.5	35.4	69.1
Others	9.8	5.1	7.5	12.6	22.4	9.4	6.8	7.6	14.4	23.8	-0.4	+1.7	+0.1	+1.8	+1.4	9.4	6.4	7.6	14.0	23.4
Adj.	-26.1	-13.9	-14.3	-28.2	-54.3	-26.6	-16.1	-15.8	-31.9	-58.5	-0.5	-2.2	-1.5	-3.7	-4.2	-26.6	-15.0	-14.3	-29.3	-55.9
Total	96.5	41.5	68.8	110.3	206.8	94.5	43.7	70.9	114.6	209.1	-2.0	+2.2	+2.1	+4.3	+2.3	94.5	44.7	70.3	115.0	209.5

(1) Including inter-segment sales/transfers

(2) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen.
Accordingly, some discrepancies may occur among totals.

(3) In FY2020, FINEOXOCOL (FO, cosmetic raw materials) was transferred from Basic Chemicals to Fine Chemicals

FY2020 OP by Segment⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

(¥billion)

	FY2019					FY2020					Change					FY2020 Outlook as of Nov. 2020				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H Actual	3Q	4Q	2H	Total
Chem	0.3	0.5	0.5	1.0	1.3	-0.1	0.7	0.9	1.6	1.5	-0.4	+0.2	+0.4	+0.6	+0.2	-0.1	0.7	0.6	1.3	1.2
P.M	8.4	4.7	3.9	8.6	17.0	10.7	6.3	5.4	11.7	22.4	+2.3	+1.6	+1.5	+3.1	+5.4	10.7	4.9	5.0	9.9	20.6
Agro	9.4	-1.8	11.7	9.9	19.3	7.8	-1.3	11.7	10.4	18.2	-1.6	+0.5	0.0	+0.5	-1.1	7.8	-0.7	11.6	10.9	18.7
Pharma	0.5	0.1	0.3	0.4	0.9	0.0	0.0	0.4	0.4	0.4	-0.5	-0.1	+0.1	0.0	-0.5	0.0	0.1	0.5	0.6	0.6
D.D	0.0	-0.2	0.0	-0.2	-0.1	-0.4	-0.4	-0.2	-0.6	-0.9	-0.4	-0.2	-0.2	-0.4	-0.8	-0.4	-0.4	-0.1	-0.5	-0.9
C.C	0.5	0.2	0.4	0.6	1.1	0.4	0.3	0.6	0.9	1.3	-0.1	+0.1	+0.2	+0.3	+0.2	0.4	0.4	0.6	1.0	1.4
Trading	1.0	0.6	0.5	1.1	2.1	1.2	0.7	0.6	1.3	2.5	+0.2	+0.1	+0.1	+0.2	+0.4	1.2	0.5	0.4	0.9	2.1
Others	0.1	0.1	0.5	0.6	0.7	0.0	0.4	0.4	0.8	0.8	-0.1	+0.3	-0.1	+0.2	+0.1	0.0	0.1	0.5	0.6	0.6
Adj.	-1.7	-0.7	-0.3	-1.0	-2.7	-1.6	-1.2	-0.5	-1.7	-3.3	+0.1	-0.5	-0.2	-0.7	-0.6	-1.6	-1.4	-0.5	-1.9	-3.5
Total	18.0	3.5	17.1	20.6	38.6	18.0	5.6	18.9	24.5	42.5	0.0	+2.1	+1.8	+3.9	+3.9	18.0	4.2	18.1	22.3	40.3

- (1) OP is calculated by new method
1. Applied from FY2020 (no change for sales segmentation)
 2. FY2019 restated based on new methods
 3. Consolidation items
(such as unrealized gain on inventories)
 - (Old method) Included in each segment
 - (New method) Excluded from each segment and included in "Adjustment"

(2) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen.

Accordingly, some discrepancies may occur among totals.

(3) In FY2020, FINEOXOCOL (FO, cosmetic raw materials) was transferred from Basic Chemicals to Fine Chemicals

(4) 3Q and 4Q FY2019 Actual: Figures have been revised in Adjustment and Total due to the impact of recalculation of QUINTEC amortization (see p8)

FY2021 Sales Outlook by Segment (1)(2)(3)

(¥billion)

	FY2020 Actual					FY2021 Outlook					Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chem	7.4	7.3	14.7	17.2	31.9	8.4	8.3	16.7	17.9	34.6	+1.0	+1.0	+2.0	+0.7	+2.7
Fine	2.7	2.7	5.4	6.0	11.4	3.2	3.1	6.3	6.6	12.9	+0.5	+0.4	+0.9	+0.6	+1.5
Basic	4.7	4.6	9.3	11.2	20.5	5.2	5.2	10.4	11.3	21.7	+0.5	+0.6	+1.1	+0.1	+1.2
P.M	17.1	17.5	34.6	37.0	71.6	18.6	18.6	37.2	38.6	75.8	+1.5	+1.1	+2.6	+1.6	+4.2
Agro	14.6	11.1	25.7	38.1	63.8	14.5	10.3	24.8	41.4	66.2	-0.1	-0.8	-0.9	+3.3	+2.4
Pharma	1.5	1.5	3.0	3.7	6.7	0.9	2.0	2.9	3.2	6.1	-0.6	+0.5	-0.1	-0.5	-0.6
D.D	0.7	0.8	1.5	1.4	2.9	0.5	0.5	1.0	1.1	2.1	-0.3	-0.3	-0.5	-0.2	-0.7
C.C	0.8	0.7	1.5	2.3	3.8	0.4	1.5	1.9	2.0	3.9	-0.4	+0.8	+0.4	-0.3	+0.2
Trading	18.2	15.5	33.7	36.1	69.8	16.5	17.0	33.5	36.6	70.1	-1.7	+1.5	-0.2	+0.5	+0.3
Others	4.8	4.6	9.4	14.4	23.8	4.9	5.4	10.3	13.1	23.4	+0.1	+0.8	+0.9	-1.3	-0.4
Adjustment	-14.3	-12.3	-26.6	-31.9	-58.5	-23.8	-25.1	-48.9	-54.8	-103.7	-9.5	-12.8	-22.3	-22.9	-45.2
Total	49.3	45.2	94.5	114.6	209.1	40.0	36.5	76.5	96.0	172.5	-9.3	-8.7	-18.0	-18.6	-36.6

(1) Including inter-segment sales/transfers

(2) FY2021 Outlook: including sales decrease due to changes in accounting policies (see p2, 14)

(3) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen.

Accordingly, some discrepancies may occur among totals.

FY2021 OP Outlook by Segment (1)(2)

(¥billion)

	FY2020 Actual					FY2021 Outlook					Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chem	0.7	-0.8	-0.1	1.6	1.5	1.3	-0.3	1.0	1.4	2.4	+0.6	+0.5	+1.1	-0.2	+0.9
Performance Materials	5.3	5.4	10.7	11.7	22.4	5.5	6.1	11.6	12.2	23.8	+0.2	+0.7	+0.9	+0.5	+1.4
Agro	4.0	3.8	7.8	10.4	18.2	3.8	2.0	5.8	11.8	17.6	-0.2	-1.8	-2.0	+1.4	-0.6
Pharma	-0.1	0.1	0.0	0.4	0.4	-0.3	0.5	0.2	0.1	0.3	-0.2	+0.4	+0.2	-0.3	-0.1
D.D	-0.2	-0.1	-0.4	-0.6	-0.9	-0.4	-0.3	-0.7	-0.8	-1.5	-0.2	-0.2	-0.4	-0.2	-0.6
C.C	0.2	0.2	0.4	0.9	1.3	0.1	0.8	0.9	0.9	1.8	-0.1	+0.6	+0.5	0.0	+0.5
Trading	0.7	0.5	1.2	1.3	2.5	0.5	0.6	1.1	1.1	2.2	-0.2	+0.1	-0.1	-0.2	-0.3
Others	0.0	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.7	0.7	0.0	0.0	0.0	-0.1	-0.1
Adjustment	-0.8	-0.8	-1.6	-1.7	-3.3	-1.0	-1.0	-2.0	-1.4	-3.4	-0.2	-0.2	-0.4	+0.3	-0.1
Total	9.8	8.2	18.0	24.5	42.5	9.8	7.9	17.7	25.9	43.6	0.0	-0.3	-0.3	+1.4	+1.1

(1) FY2021 Outlook: including effects of changes in accounting policies (see p2, 14)

(2) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.

FY2020 Sales Outlook of Future Growth Engines

(Announced in May 2020)

(1) Including R&D costs deduction due to the sample shipments

FY2020 Sales Outlook Level (1)	Below ¥0.3 billion	¥0.3 to ¥0.6 billion	Above ¥0.6 billion	Total	
Chem	<p>New TEPIC (Liquid type) (Fine Chemicals)</p> <p>Venus® Oilclean (Fine Chemicals)</p>			¥0.0 billion	
Performance Materials	<p>Flexible hard coating materials (Display)</p> <p>Hole injection layer materials (Display)</p> <p>Alignment materials for LC retarder (Display)</p> <p>3D packaging process materials (Semis)</p> <p>Organosol (Insulation CTE) (Inorganic)</p> <p>New high refractive materials (IM layer film) (Inorganic)</p>	<p>Light control film materials (Display)</p> <p>Repellant bank layer materials (Display)</p> <p>Alignment materials for TV (Display)</p> <p>Monomersol (3D-printing) (Inorganic)</p>	<p>CMOS image sensor materials (Semis)</p> <p>Oilfield materials (Inorganic)</p>	<p>EUV under layer (Semis)</p>	¥3.1 billion
Agro	<p>NEXTER (Licensed-in)</p> <p>CLARE (In-house)</p> <p>ALEILE (In-house)</p>		<p>TRANSFORM™/ EXCEED™/ VIRESKO™ (Licensed-in)</p>	<p>ROUNDUP AL II / III (In-house)</p> <p>GRACIA (In-house)</p> <p>QUINTEC (Acquisition)</p>	¥9.1 billion
Pharma, Others	<p>New GE API product (Custom Chemicals)</p> <p>Cell culture medium</p>	<p>New GE API product (Custom Chemicals)</p>		<p>Eldecalcitol (Custom Chemicals)</p>	¥1.2 billion

Total ¥13.4 billion

FY2020 Sales Actual of Future Growth Engines

(1) Including R&D costs deduction due to the sample shipments

FY2020 Sales Actual Level (1)	Below ¥0.3 billion	¥0.3 to ¥0.6 billion	Above ¥0.6 billion	Total	
Chem	<p>New TEPIC (Liquid type) (Fine Chemicals)</p> <p>Venus® Oilclean (Fine Chemicals)</p>			¥0.0 billion	
Performance Materials	<p>Flexible hard coating materials (Display)</p> <p>Hole injection layer materials (Display)</p> <p>Alignment materials for LC retarder (Display)</p> <p>3D packaging process materials (Semis)</p> <p>Organosol (Insulation CTE) (Inorganic)</p> <p>New high refractive materials (IM layer film) (Inorganic)</p>	<p>Light control film materials (Display)</p> <p>Repellant bank layer materials (Display)</p> <p>Alignment materials for TV (Display)</p> <p>Monomersol (3D-printing) (Inorganic)</p>	<p>CMOS image sensor materials (Semis)</p> <p>Oilfield materials (Inorganic)</p> <p>EUV under layer (Semis)</p>	¥2.5 billion	
Agro	<p>NEXTER (Licensed-in)</p> <p>TRANSFORM™/ EXCEED™/ VIRESCO™ (Licensed-in)</p>	<p>CLARE (In-house)</p> <p>ALEILE (In-house)</p>	<p>ROUNDUP AL II/III (In-house)</p> <p>GRACIA (In-house)</p>	<p>QUINTEC (Acquisition)</p> <p>DITHANE (Acquisition)</p>	¥7.8 billion
Pharma, Others	<p>New GE API product (Custom Chemicals)</p> <p>Cell culture medium</p>	<p>New GE API product (Custom Chemicals)</p>	<p>Eldecalcitol (Custom Chemicals)</p>	¥1.3 billion	

Total ¥11.6 billion

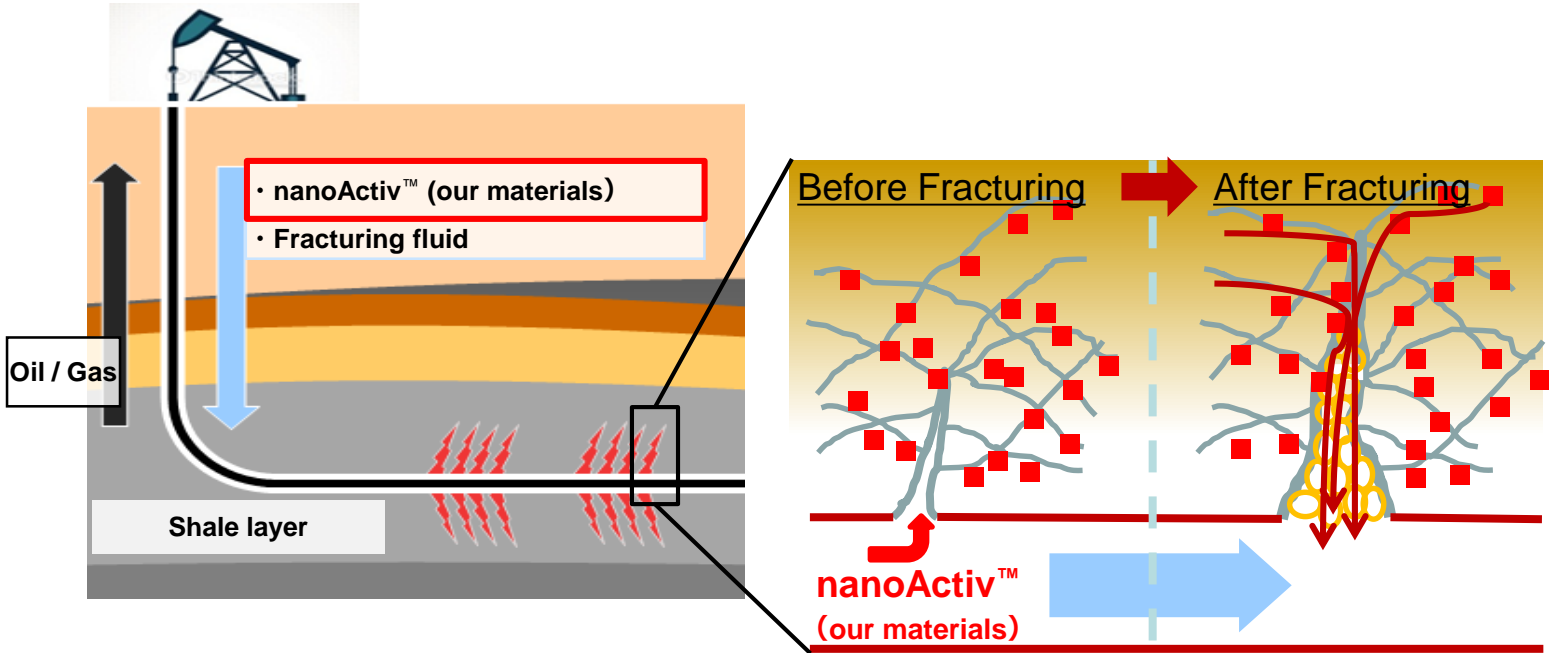
FY2021 Sales Outlook of Future Growth Engines

(1) Including R&D costs deduction due to the sample shipments

FY2021 Sales Outlook Level (1)	Below ¥0.3 billion	¥0.3 to ¥0.6 billion	Above ¥0.6 billion	Total	
Chem	<p>New TEPIC (Liquid type) (Fine Chemicals)</p> <p>Venus® Oilclean (Fine Chemicals)</p>			¥0.0 billion	
Performance Materials	<p>Flexible hard coating materials (Display)</p> <p>Hole injection layer materials (Display)</p> <p>Alignment materials for LC retarder (Display)</p> <p>3D packaging process materials (Semis)</p> <p>Organosol (Insulation CTE) (Inorganic)</p> <p>New high refractive materials (IM layer film) (Inorganic)</p>	<p>Light control film materials (Display)</p> <p>Repellant bank layer materials (Display)</p> <p>Alignment materials for TV (Display)</p> <p>Monomersol (3D-printing) (Inorganic)</p>	<p>CMOS image sensor materials (Semis)</p> <p>Oilfield materials (Inorganic)</p>	<p>EUV under layer (Semis)</p>	¥3.3 billion
Agro	<p>NEXTER (Licensed-in)</p> <p>TRANSFORM™/ EXCEED™/ VIRESKO™ (Licensed-in)</p>	<p>CLARE (In-house)</p> <p>ALEILE (In-house)</p>		<p>ROUNDUP AL II/III (In-house)</p> <p>GRACIA (In-house)</p> <p>QUINTEC (Acquisition)</p> <p>DITHANE (Acquisition)</p>	¥11.3 billion
Pharma, Others	<p>New GE API product (Custom Chemicals)</p> <p>Cell culture medium</p>	<p>New GE API product (Custom Chemicals)</p>		<p>Eldecalcitol (Custom Chemicals)</p>	¥1.2 billion

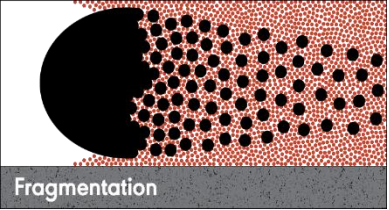
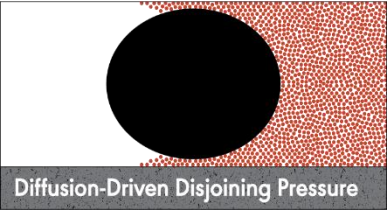
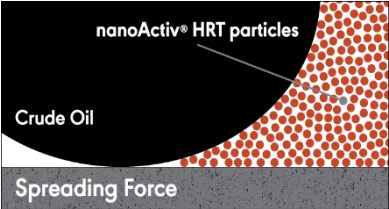
Total ¥15.8 billion

Oilfield Materials



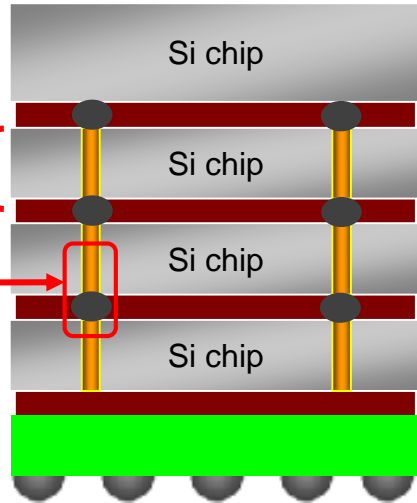
Brownian Motion/Diffusion
⇒ Spreading Force

Wasan & Nikolov, *Nature*, Vol. 423, 2003.



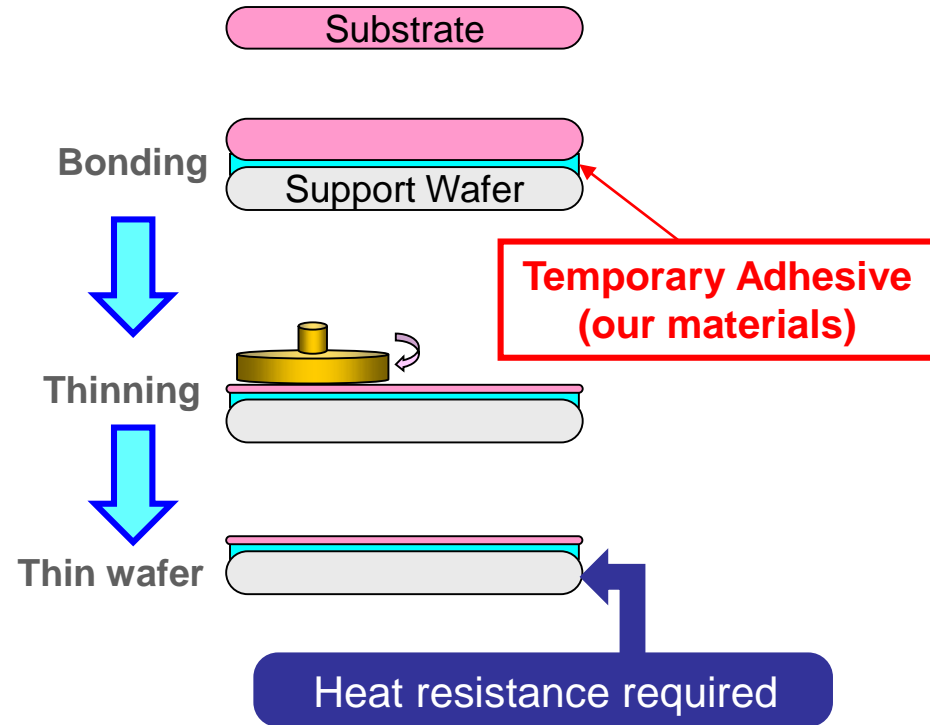
3D Packaging Process Materials

TSV (Through silicon via) technology



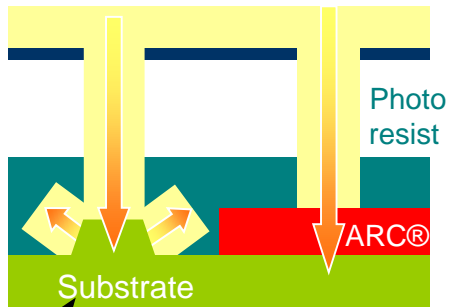
- Need for thinner substrate
- High temperature process required for TSV

Using Temporary Adhesive system



EUV Under Layer

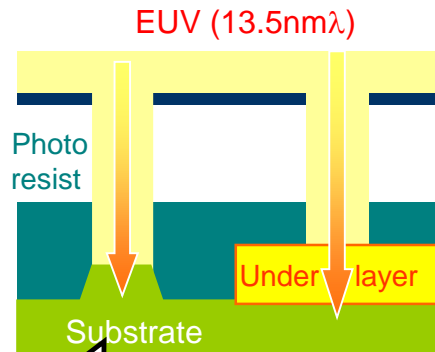
~ ArF lithography



Reflection

ARC® eliminates reflection effectively from substrate

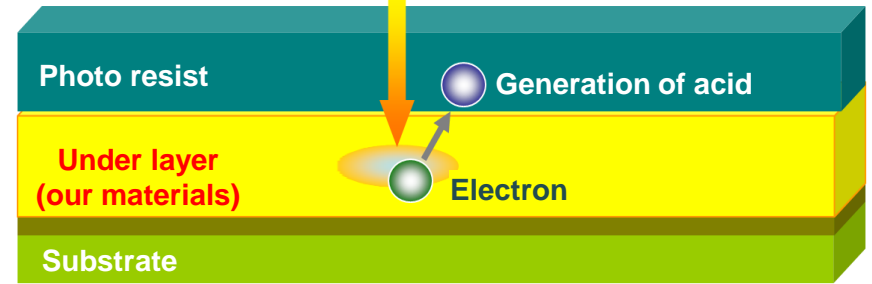
EUV lithography



Pass through

Reflection control is NOT necessary due to no reflection from substrate

EUV



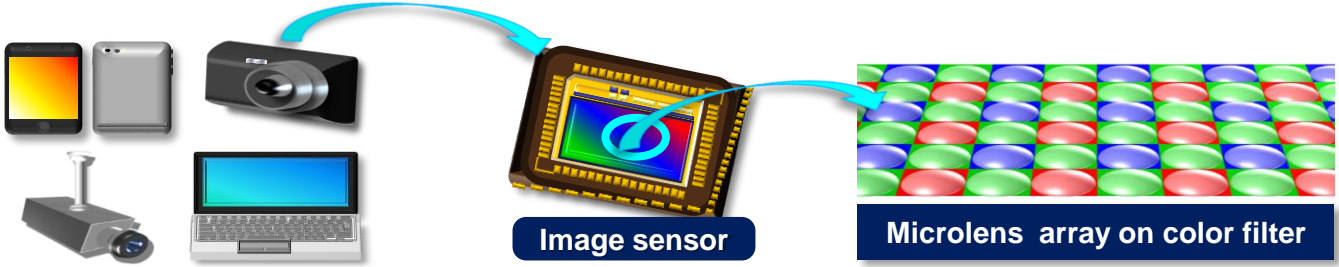
Without under layer

With under layer

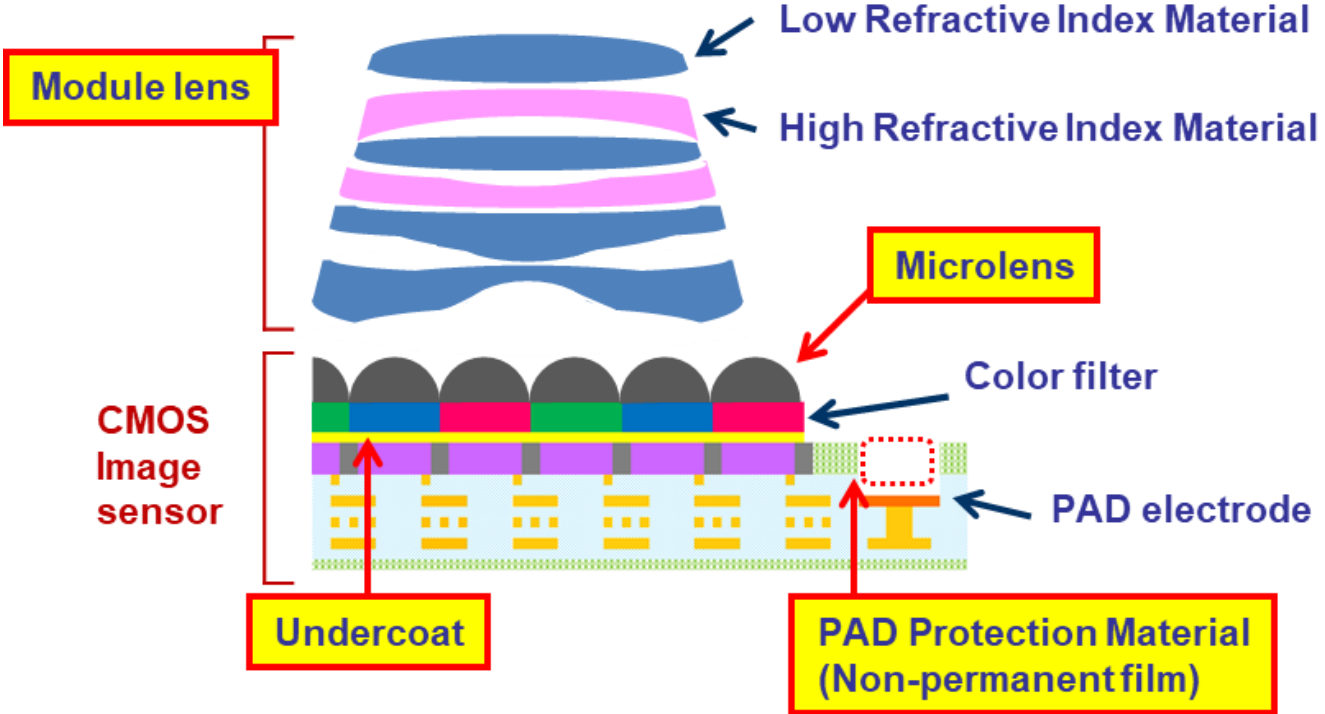


Under layer (our materials)

CMOS Image Sensor Materials

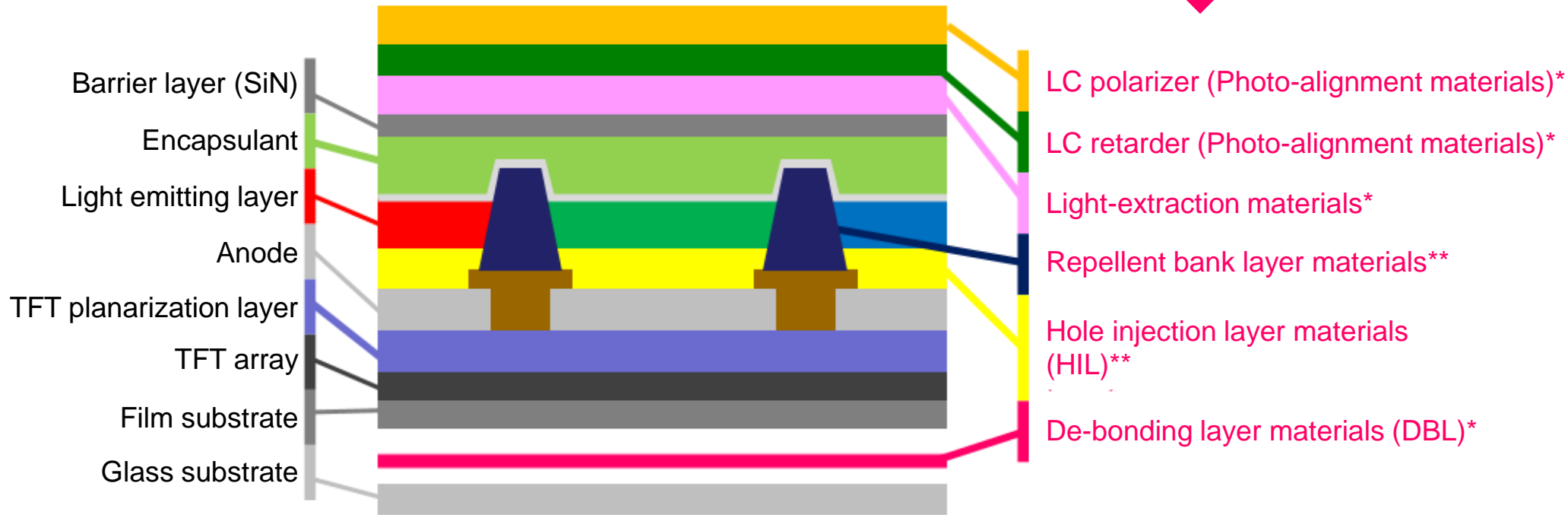


Our Materials



OLED-related Materials

Our Materials



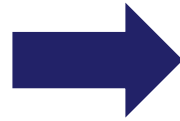
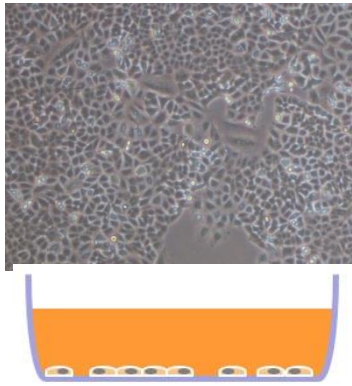
OLED type:

* Vapor deposition and Printing

** Printing

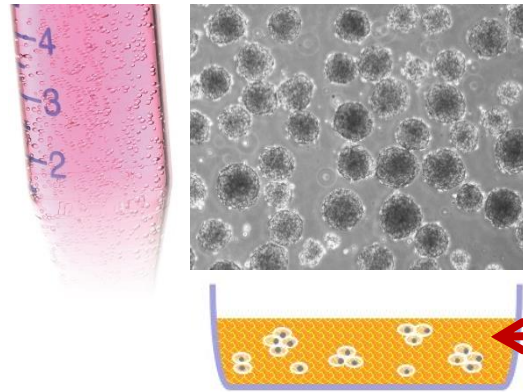
Cell Culture Medium

**Conventional
2D method**



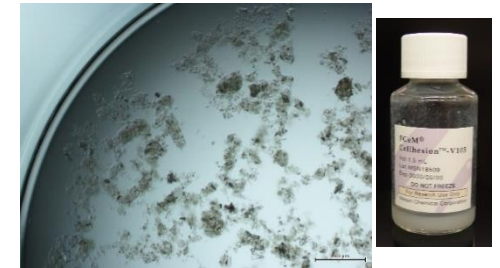
**New 3D method
FCeM[®]**

for cultivating large amounts of cells



Cellhesion[®]

for MSC Suspension Culture



Our Materials

- Our material is used for cultivating large amounts of iPS/ES cells, Mesenchymal stem cell (MSC) and so on.
- Cells are dispersed uniformly and floated by the used of our products.

FCeM[®] Preparation Kit



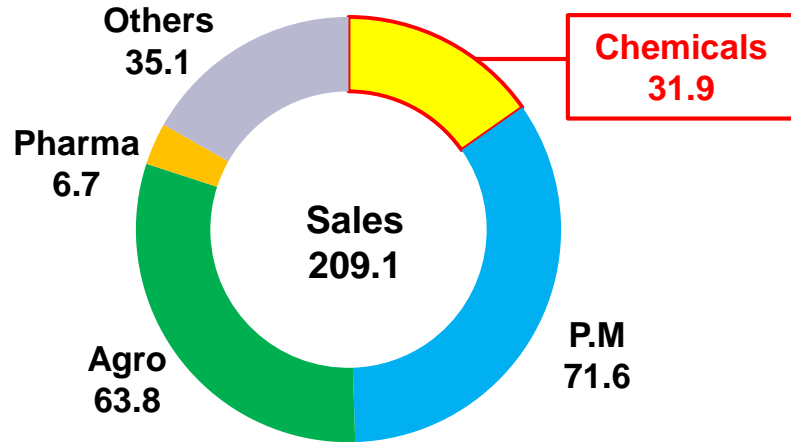
FCeM[®] 3D Culture Kit



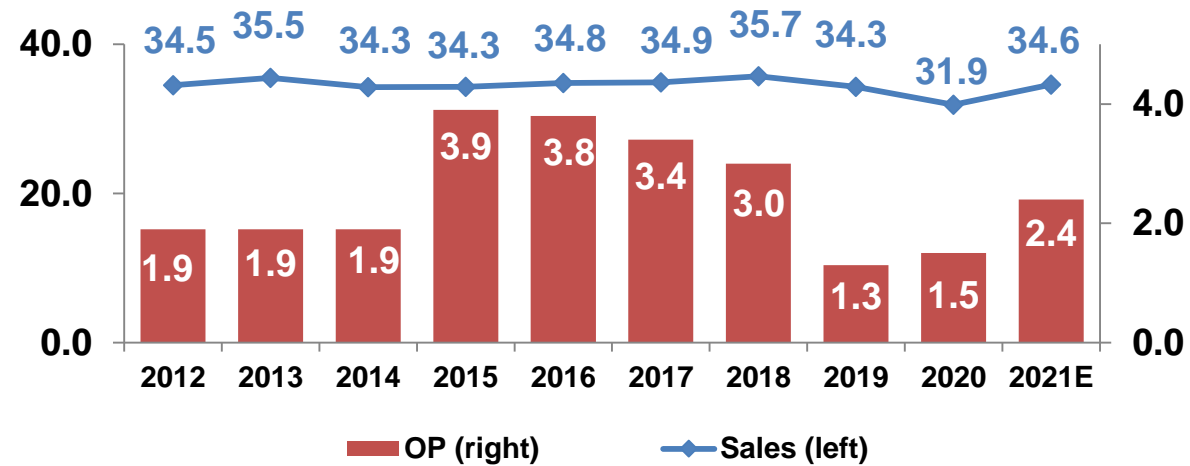
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Chemicals – (A) Recent Financial Performance

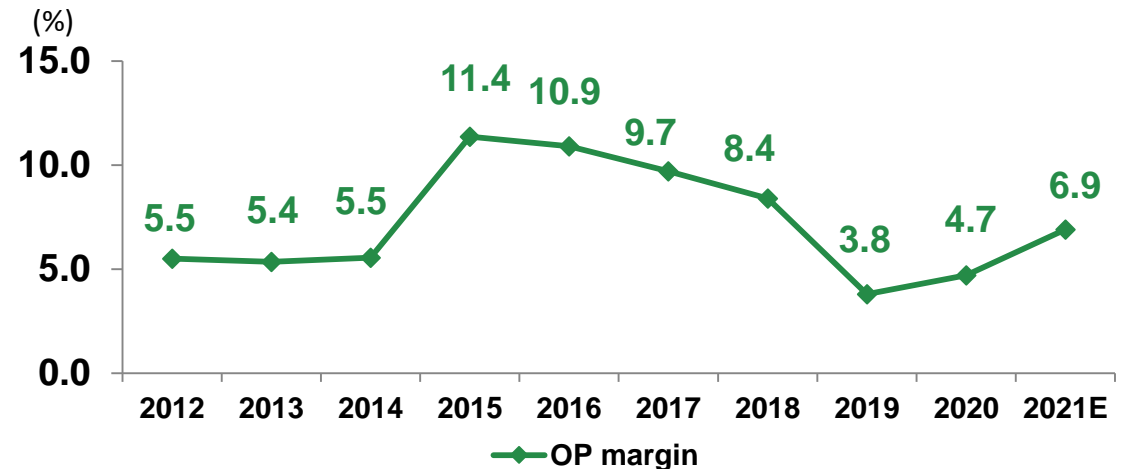
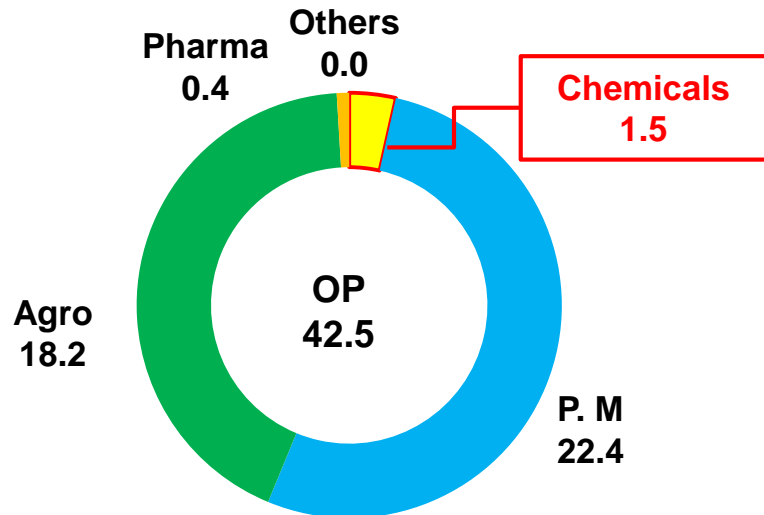
1. FY2020 Sales Distribution (¥billion)



3. Recent Financial Performance (¥billion)

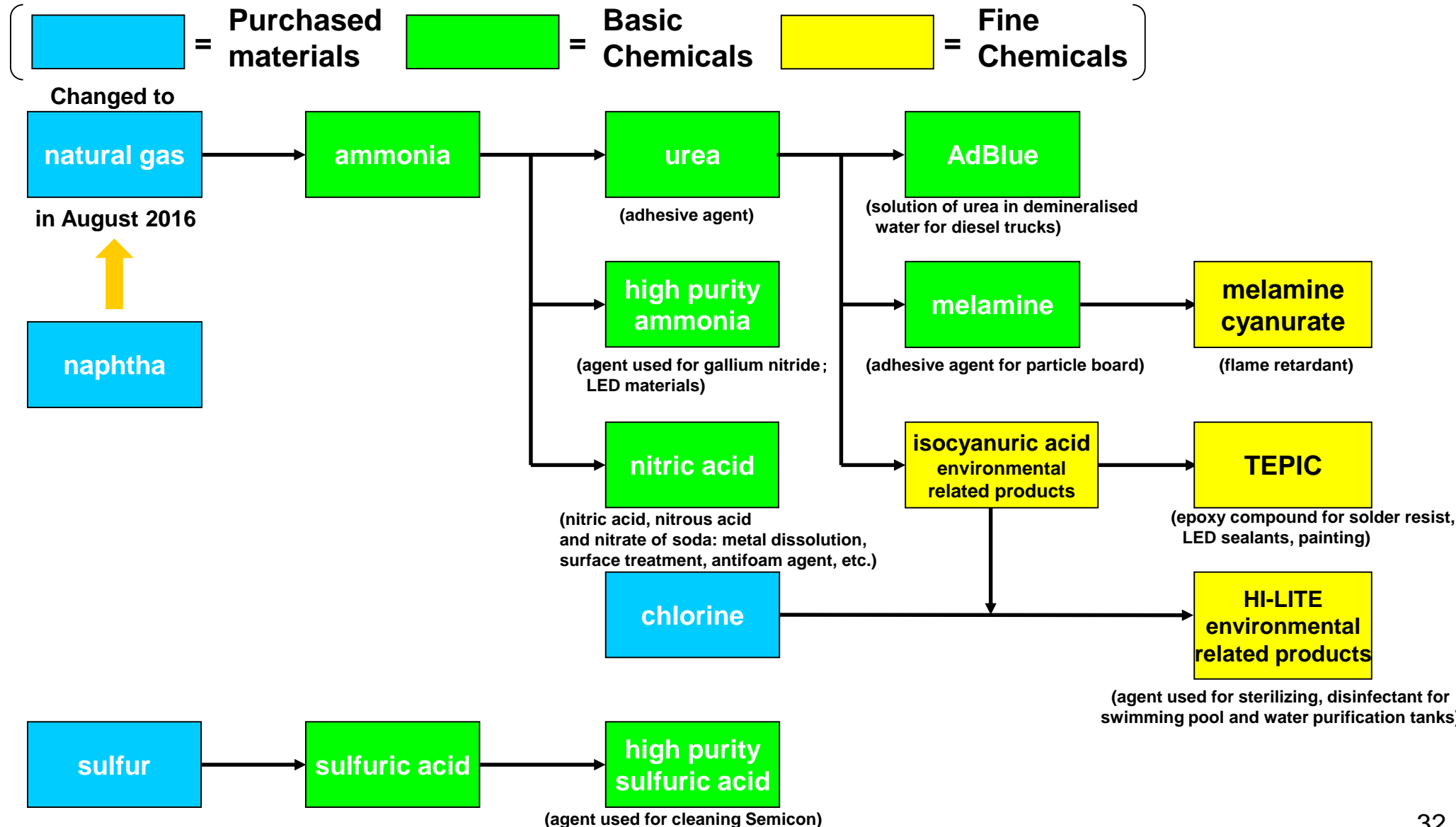


2. FY2020 OP Distribution (¥billion)



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

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2020 ammonia domestic production capacity share 11%, high percentage of self-consumption of ammonia



Chemicals – (C) Sales YOY Change

Main Products		Sales YOY Change(1)										
		FY2020 Outlook as of Nov. 2020			FY2020 Actual					FY2021 Outlook		
		1H Actual	2H	Total	1H	3Q	4Q	2H	Total	1H	2H	Total
TEPIC	<ul style="list-style-type: none"> ◆ Epoxy compound for : (A) electronic materials (solder resist, LED materials), (B) general applications such as powder coating agent for paint ◆ World largest producer 	-10%	+1%	-4%	-10%	+10%	+6%	+7%	-1%	+21%	-6%	+6%
Environmental related products	<ul style="list-style-type: none"> ◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank 	-9%	+22%	+4%	-9%	+2%	+3%	+3%	-4%	+19%	+29%	+24%
Total Fine Chemicals Two products account for 74% of total consolidated subsegment sales (FY2020)		+3%	+21%	+12%	+3%	+14%	+16%	+15%	+9%	+17%	+9%	+13%
Melamine	<ul style="list-style-type: none"> ◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood 	-55%	-49%	-52%	-55%	-37%	-30%	-33%	-44%	+13%	-2%	+4%
Urea/AdBlue	<ul style="list-style-type: none"> ◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox 	-5%	-1%	-3%	-5%	+3%	+9%	+6%	0%	+15%	+3%	+8%
High purity sulfuric acid	<ul style="list-style-type: none"> ◆ Used to clean semiconductors ◆ Largest in domestic market 	+14%	+19%	+17%	+14%	+8%	+11%	+10%	+12%	+9%	+4%	+6%
Nitric acid products	<ul style="list-style-type: none"> ◆ Nitric acid, nitrous acid and nitrate of soda: Metal dissolution, surface treatment, antifoam agent 	-2%	+7%	+3%	-2%	+11%	+15%	+13%	+5%	+16%	0%	+7%
Total Basic Chemicals Four products account for 53% of total consolidated subsegment sales (FY2020)		-20%	-13%	-16%	-20%	-11%	-7%	-9%	-14%	+12%	+1%	+6%

(1) In FY2020, FINEOXOCOL (cosmetic raw materials etc.) was transferred from Basic Chemicals to Fine Chemicals

(Blank)

Chemicals – (D-1) Profit Overview

(¥billion)

	FY2019 Actual					2H FY2020 Outlook as of Nov.2020			FY2020 Actual (A)								FY2021 Outlook(B)					Change (B) - (A)				
	1H	3Q	4Q	2H	Total	3Q	4Q	2H	1Q	2Q	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	
Sales	16.8	8.7	8.8	17.5	34.3	8.1	8.9	17.0	7.4	7.3	14.7	8.3	8.9	17.2	31.9	8.4	8.3	16.7	17.9	34.6	+1.0	+1.0	+2.0	+0.7	+2.7	
Fine	5.2	2.6	2.7	5.3	10.5	2.9	3.5	6.4	2.7	2.7	5.4	2.8	3.2	6.0	11.4	3.2	3.1	6.3	6.6	12.9	+0.5	+0.4	+0.9	+0.6	+1.5	
Basic	11.6	6.1	6.1	12.2	23.8	5.2	5.4	10.6	4.7	4.6	9.3	5.5	5.7	11.2	20.5	5.2	5.2	10.4	11.3	21.7	+0.5	+0.6	+1.1	+0.1	+1.2	
OP	0.3	0.5	0.5	1.0	1.3	0.7	0.6	1.3	0.7	-0.8	-0.1	0.7	0.9	1.6	1.5	1.3	-0.3	1.0	1.4	2.4	+0.6	+0.5	+1.1	-0.2	+0.9	
FO* Sales	0.7	-	-	0.8	1.5	-	-	0.8	-	-	0.6	-	-	0.6	1.2	-	-	0.7	0.8	1.5						

*In FY2020, FINEOXOCOL (cosmetic raw materials etc.) was transferred from Basic Chemicals to Fine Chemicals

4Q FY2020 Review

<vs. 4Q FY2019>

4Q FY2020 Review

<vs. 4Q FY2020 Outlook as of Nov. 2020>

(Fine)

- ◆ Sales up: TEPIC for general applications (export recovery), TEPIC for electronic materials (demand recovery), environmental related products (export)
- ◆ Feedstock and raw materials cost down
- ◆ Sales up (including positive impact of FO* transferred), OP up

(Basic)

- ◆ Sales up : nitric acid products, high purity sulfuric acid (for semis), urea/AdBlue
- ◆ Sales down: export melamine (reducing low margin deals), domestic melamine
- ◆ Feedstock and raw materials cost down
- ◆ Inventory adjustment cost down
- ◆ Sales down (including negative impact of FO* transferred), OP up

(Total)

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

(Fine)

- ◆ Sales in line with target: TEPIC for electronic materials
- ◆ Sales below target: environmental related products, TEPIC for general applications, FO*
- ◆ Inventory adjustment cost below expectations
- ◆ Feedstock and raw materials cost above expectations, transporting cost above expectations
- ◆ Sales down, OP up

(Basic)

- ◆ Sales above target: export melamine(demand recovery), nitric acid products, urea/AdBlue
- ◆ Sales below target: high purity sulfuric acid, domestic melamine
- ◆ Inventory adjustment cost below expectations
- ◆ Sales up, OP in line with target

(Total)

- ◆ Sales in line with target, OP up ¥0.3 billion

Chemicals – (D-2) Profit Overview

*FO: FINEOXOCOL (see p33)

2H FY2020 Review

<vs. 2H FY2019>

(Fine)

- ◆ Sales up: TEPIC for general applications (export recovery), TEPIC for electronic materials (demand recovery), environmental related products (export)
- ◆ Feedstock and raw materials cost down
- ◆ Inventory adjustment cost up
- ◆ Sales up (including positive impact of FO* transferred), OP up

(Basic)

- ◆ Sales up : high purity sulfuric acid (for semis), nitric acid products, urea/AdBlue
- ◆ Sales down: export melamine(reducing low margin deals), domestic melamine
- ◆ Feedstock and raw materials cost down
- ◆ Inventory adjustment cost down
- ◆ Sales down (including negative impact of FO* transferred), OP up

(Total)

- ◆ Sales down ¥0.3 billion, OP up ¥0.6 billion

FY2020 Review

<vs. FY2019>

(Fine)

- ◆ Sales up: TEPIC for general applications
- ◆ Sales down: environmental related products (export up, domestic down for pools and spas), TEPIC for electronic applications (sluggish demand for cars until 1H)
- ◆ Feedstock and raw materials cost down
- ◆ Sales up (including positive impact of FO* transferred), OP up

(Basic)

- ◆ Sales up : high purity sulfuric acid (for semis), nitric acid products
- ◆ Sales flat : urea/AdBlue
- ◆ Sales down: export melamine (reducing low margin deals), domestic melamine
- ◆ Feedstock and raw materials cost down
- ◆ Sales down (including negative impact of FO* transferred), OP down

(Total)

- ◆ Sales down ¥2.4 billion, OP up ¥0.2 billion

2H FY2020 Review

<vs. 2H FY2020 Outlook as of Nov. 2020>

(Fine)

- ◆ Sales above target: TEPIC for general applications (export recovery), TEPIC for electronic materials (demand recovery)
- ◆ Sales below target: environmental related products, FO* (cosmetic applications down)
- ◆ Fixed cost below expectations
- ◆ Feedstock and raw materials cost up expectations
- ◆ Sales below target, OP above target

(Basic)

- ◆ Sales above target : export melamine (demand recovery), nitric acid products, urea/AdBlue
- ◆ Sales below target : high purity sulfuric acid, domestic melamine
- ◆ Feedstock and raw materials cost below expectations
- ◆ Sales above target, OP above target

(Total)

- ◆ Sales up ¥0.2 billion, OP up ¥0.3 billion

FY2021 Outlook

<vs. FY2020>

(Fine)

- ◆ Sales up: environmental related products, (isocyanuric acid capacity expansion completed, export up), FO* (cosmetic applications recovery), TEPIC for electronic materials (demand recovery), TEPIC for general applications (export price up)
- ◆ Fixed cost up (isocyanuric acid capacity expansion completed)
- ◆ Inventory adjustment cost down
- ◆ Sales up, OP up

(Basic)

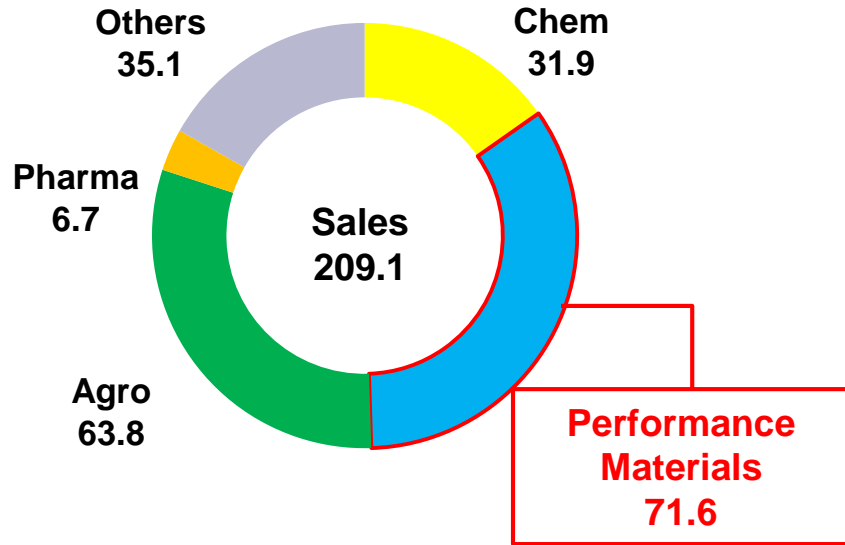
- ◆ Sales up : domestic melamine (demand recovery), nitric acid products, urea/AdBlue, high purity sulfuric acid (for semis)
- ◆ Sales down: export melamine (reducing low margin deals)
- ◆ Fixed cost up (tank renewal), Feedstock and raw materials cost up
- ◆ Inventory adjustment cost up
- ◆ Sales up, OP flat

(Total)

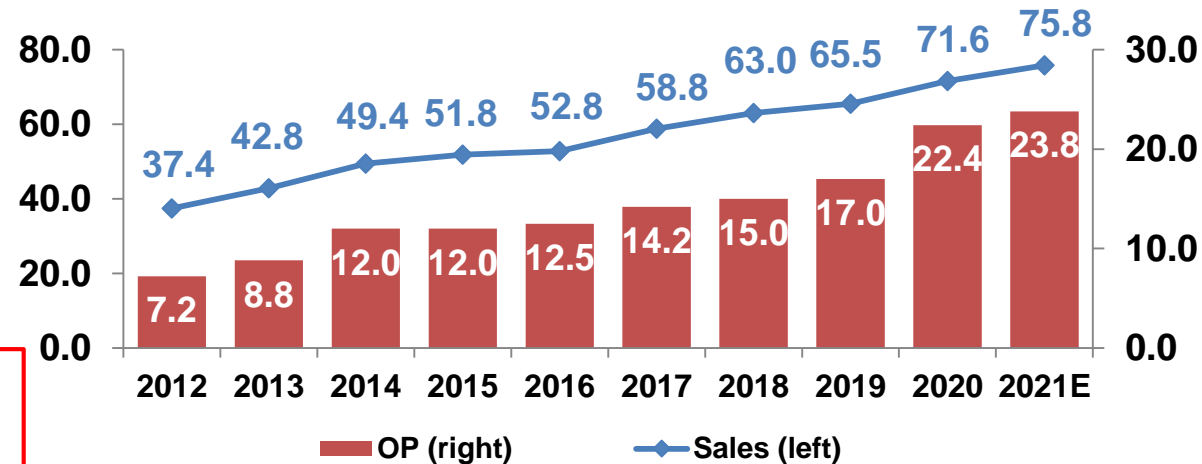
- ◆ Sales up ¥2.7 billion, OP up ¥0.9 billion

Performance Materials – (A) Recent Financial Performance

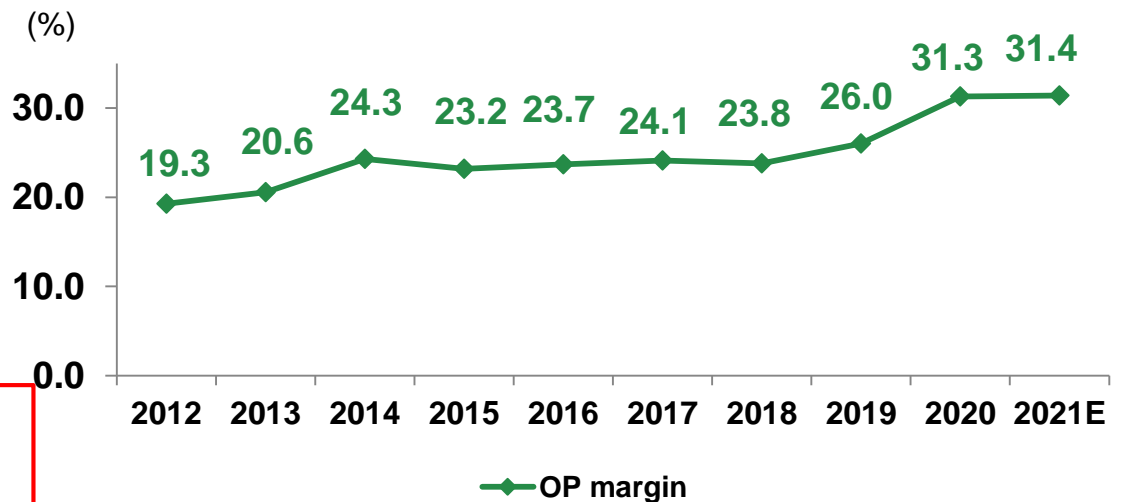
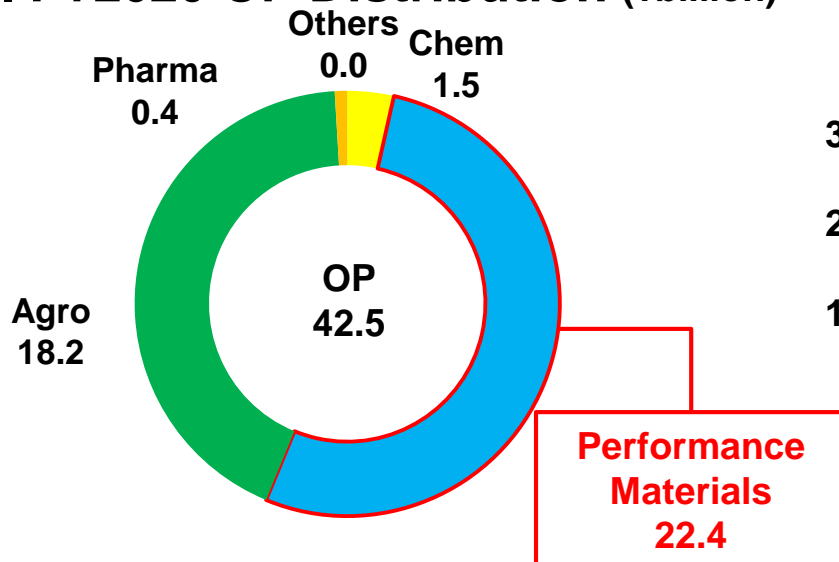
1. FY2020 Sales Distribution (¥billion)



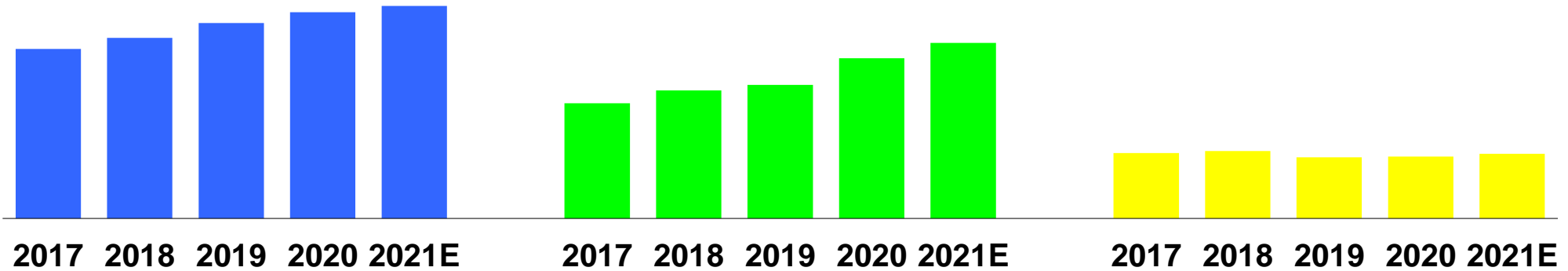
3. Recent Financial Performance (¥billion)



2. FY2020 OP Distribution (¥billion)



Performance Materials – (B) FY2017-2021E Sales Distribution



< Display Materials >

SUNEVER : LCD alignment coating

< Semis Materials >

ARC® :Bottom anti-reflective coating for semis

Multi layer process materials (OptiStack®)

Other new materials:

EUV materials,
CMOS image sensor materials,
3D packaging process materials

< Inorganic >

SNOWTEX : Silica sol for:
polishing materials
(silicon wafer,
compound semiconductors,
semiconductors CMP and etc.)
and non-polishing materials
(special steel sheet and etc.)

Organo/Monomer Sol : Hard coating materials,
electronic information
materials, resin additive

Oilfield materials : For enhancing oil recovery

Performance Materials – (C) Sales YOY Change

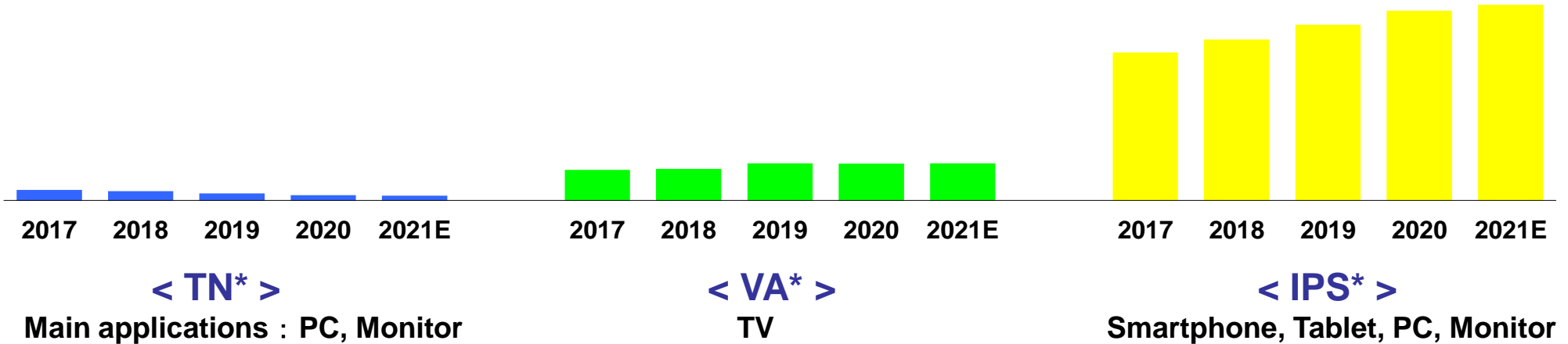
Main Products		Sales YOY Change										
		FY2020 Outlook as of Nov. 2020			FY2020 Actual					FY2021 Outlook		
		1H Actual	2H	Total	1H	3Q	4Q	2H	Total	1H	2H	Total
SUNEVER		+7%	0%	+3%	+7%	+5%	+2%	+4%	+5%	+5%	0%	+2%
Total Display Materials		+7%	+1%	+4%	+7%	+5%	+3%	+4%	+5%	+5%	+1%	+3%
KrF (ARC®)		+14%	-3%	+5%	+14%	+18%	+11%	+14%	+14%	+2%	-2%	0%
ArF (ARC®)		+16%	+10%	+13%	+16%	+20%	+11%	+15%	+16%	+11%	+11%	+11%
Total ARC®		+16%	+6%	+11%	+16%	+21%	+10%	+15%	+16%	+10%	+9%	+9%
Other Semis Materials (1)		+51%	+17%	+31%	+51%	+30%	+3%	+16%	+31%	+7%	+14%	+11%
Total Semis Materials		+25%	+9%	+16%	+25%	+23%	+8%	+15%	+20%	+9%	+10%	+10%
SNOWTEX		+2%	0%	+1%	+2%	+9%	+8%	+9%	+5%	+9%	+5%	+7%
Organo/Monomer Sol		-15%	-3%	-9%	-15%	+24%	-19%	-1%	-8%	+7%	-2%	+2%
Oilfield Materials		-91%	-15%	-52%	-91%	+112%	+172%	+123%	+18%	+1,483%	-39%	+17%
Total Inorganic Materials Three products account for 83% of total consolidated subsegment sales (FY2020)		-8%	-2%	-5%	-8%	+15%	+7%	+10%	+1%	+13%	-2%	+5%

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

- ◆ Semiconductor capex plan to capture long-term future business: *NCK: Consolidated subsidiary in South Korea. R&D, production and sales of display and semis materials.
- | | | |
|------------------|--------|---|
| Main capex : | FY2014 | Analyzing and evaluation R&D equipment (¥1.1 billion) |
| (approval basis) | 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), Material Research Lab. (¥0.5 billion) |
| | FY2016 | NCK* production capacity expansion (¥2.6 billion),
Analyzing and evaluation R&D equipment (¥1.0 billion), Material Research Lab. (¥0.4 billion) |
| | FY2017 | Material Research Lab. (¥0.4 billion) |
| | FY2018 | Production capacity expansion (¥0.2 billion), Production test facilities (¥0.2 billion) |
| | FY2019 | Material Research Lab. (¥0.1 billion), Production test facilities (¥0.1 billion) |
| | FY2020 | Analyzing and evaluation R&D equipment (¥1.8 billion), NCK* production capacity expansion (¥0.4 billion),
Production test facilities (¥0.2 billion), Production capacity expansion (¥0.2 billion), Material Research Lab. (¥0.2 billion) |
| | FY2021 | Production test facilities (¥0.3 billion), Material Research Lab. (¥0.1 billion), Production capacity expansion (¥0.1 billion),
Analyzing and evaluation R&D equipment (¥0.1 billion) |

Performance Materials – (D) SUNEVER

<Sales Distribution by Mode>



<Sales YOY Change by Mode>

	FY2020 Outlook as of Nov. 2020	FY2020 Actual	FY2021 Outlook
TN	↘ ↘ ↘	↘ ↘ ↘	↘ ↘
VA	↘	↘	↗
IPS	↗	↗	↗
Total	+3%	+5%	+2%

YOY Change

+20~+29%	↗↗↗
+10~+19%	↗↗
+0~+9%	↗
-0~-9%	↘
-10~-19%	↘↘
-20~-29%	↘↘↘

*TN : Twisted Nematic, VA : Vertical Alignment, IPS : In-Plane Switching

Performance Materials – (E-1) Profit Overview

(¥billion)

	FY2019 Actual					2H FY2020 Outlook as of Nov.2020			FY2020 Actual (A)							FY2021 Outlook(B)					Change (B) - (A)				
	1H	3Q	4Q	2H	Total	3Q	4Q	2H	1Q	2Q	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	31.4	17.0	17.1	34.1	65.5	17.5	17.7	35.2	17.1	17.5	34.6	19.2	17.8	37.0	71.6	18.6	18.6	37.2	38.6	75.8	+1.5	+1.1	+2.6	+1.6	+4.2
OP	8.4	4.7	3.9	8.6	17.0	4.9	5.0	9.9	5.3	5.4	10.7	6.3	5.4	11.7	22.4	5.5	6.1	11.6	12.2	23.8	+0.2	+0.7	+0.9	+0.5	+1.4

other new materials: EUV materials, CMOS image sensor materials, 3D packaging process materials total

4Q FY2020 Review

<vs. 4Q FY2019>

- ◆ DP sales up, OP up
Photo IPS up (non-smartphone up), rubbing IPS down, VA up, TN down
Fixed cost down ¥0.3 billion
- ◆ Semis Materials sales up, OP up
ARC® up, other semis materials up (multi layer materials up, other new materials down)
Growing semis market
Fixed cost down ¥0.6 billion
- ◆ Inorganic Materials sales up, OP up
SNOWTEX up (both non-polishing and polishing up), Organo/Monomer Sol down, Oilfield materials up (new order from 3Q)
- ◆ Fixed cost down ¥1.1 billion in total
- ◆ Sales up ¥0.7 billion, OP up ¥1.5 billion

4Q FY2020 Review

<vs. 4Q FY2020 Outlook as of Nov. 2020>

- ◆ DP sales below target, OP below target
Photo IPS below target (shipment shifted to 3Q, smartphone below target, non-smartphone above target), rubbing IPS below target, VA above target, TN below target
Fixed cost below expectations (¥0.2 billion)
- ◆ Semis Materials sales above target, OP above target
ARC® above target, other semis materials below target (multi layer materials below target, other new materials in line with target)
Growing semis market
Fixed cost below expectations (¥0.4 billion)
- ◆ Inorganic Materials sales above target, OP above target
SNOWTEX above target (both non-polishing and polishing above target), Organo/Monomer Sol below target, Oilfield materials below target
Fixed cost below expectations (¥0.2 billion)
- ◆ Fixed cost below expectations (¥0.8 billion) in total
- ◆ Sales up ¥0.1 billion, OP up ¥0.4 billion

Performance Materials – (E-2) Profit Overview

other new materials: EUV materials, CMOS image sensor materials, 3D packaging process materials total

2H FY2020 Review

<vs. 2H FY2019>

- ◆ DP sales up, OP up
Photo IPS up (non-smartphone up), rubbing IPS down,
VA up, TN down
Fixed cost down ¥0.1 billion
- ◆ Semis Materials sales up, OP up
ARC® up, other semis materials up (multi layer materials up,
other new materials up)
Growing semis market
Fixed cost down ¥0.7 billion
- ◆ Inorganic Materials sales up, OP up
SNOWTEX up (both non-polishing and polishing up),
Organo/Monomer Sol down,
Oilfield materials up (new order from 3Q)
Fixed cost down ¥0.3 billion
- ◆ Fixed cost down ¥1.1 billion in total
- ◆ Sales up ¥2.9 billion, OP up ¥3.1 billion

FY2020 Review

<vs. FY2019>

- ◆ DP sales up, OP up
Photo IPS up (non-smartphone up), rubbing IPS down,
VA down, TN down
Fixed cost up ¥0.1 billion
- ◆ Semis Materials sales up, OP up
ARC® up, other semis materials up (multi layer materials up,
other new materials up)
Growing semis market
Fixed cost down ¥1.3 billion
- ◆ Inorganic Materials sales up, OP up
SNOWTEX up (non-polishing down, polishing up),
Organo/Monomer Sol down,
Oilfield materials up (new order form 3Q)
Fixed cost down ¥0.6 billion
- ◆ Fixed cost down ¥1.8 billion in total
- ◆ Sales up ¥6.1 billion, OP up ¥5.4 billion

2H FY2020 Review

<vs. 2H FY2020 Outlook as of Nov. 2020>

- ◆ DP sales above target, OP above target
Photo IPS above target
(smartphone below target, non-smartphone above target),
rubbing IPS below target, VA above target, TN above target
Fixed cost below expectations (¥0.2 billion)
- ◆ Semis Materials sales above target, OP above target
ARC® above target, other semis materials in line with target
(multi layer materials below target, other new materials above target)
Growing semis market
Fixed cost below expectations (¥0.5 billion),
Inventory adjustment cost above expectations (¥0.2 billion)
- ◆ Inorganic Materials sales above target, OP above target
SNOWTEX above target (both non-polishing and polishing above target),
Organo/Monomer Sol above target,
Oilfield materials above target (new order from 3Q)
Fixed cost below expectations (¥0.2 billion)
- ◆ Fixed cost below expectations (¥0.9 billion) in total
- ◆ Sales up ¥1.8 billion, OP up ¥1.8 billion

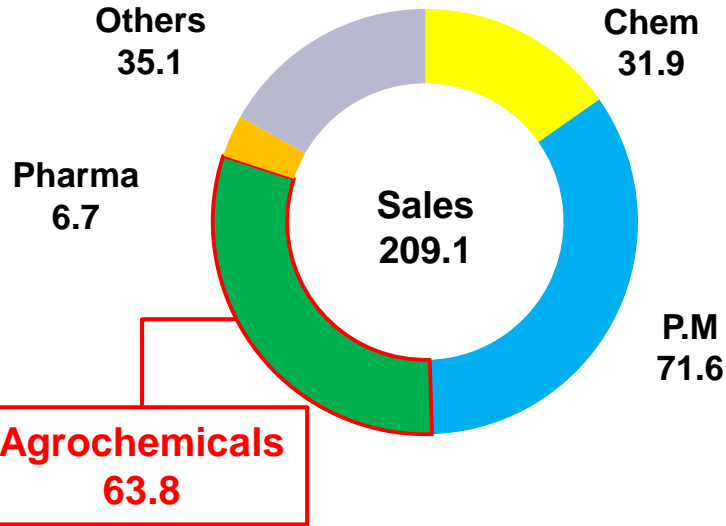
FY2021 Outlook

<vs. FY2020>

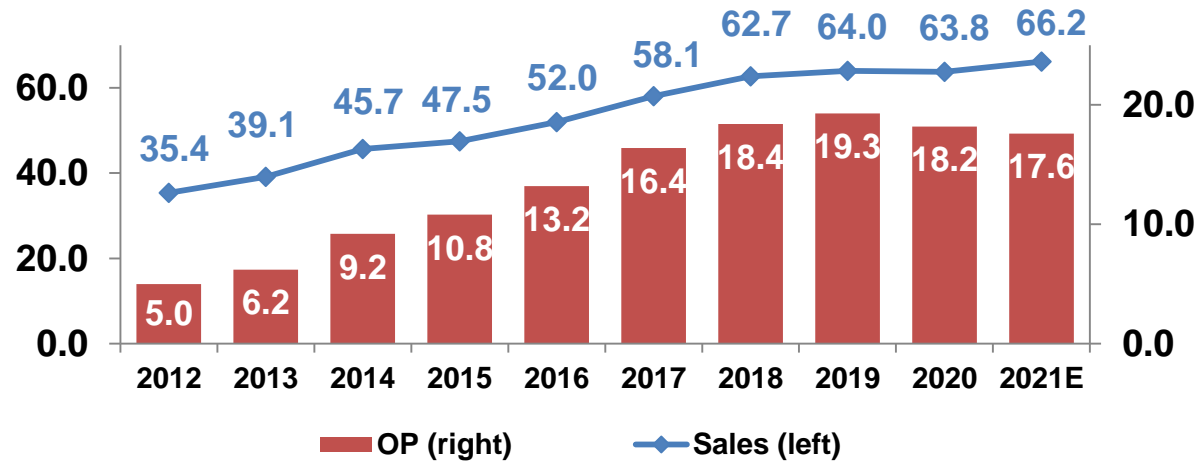
- ◆ DP sales up, OP up
Photo IPS up (non-smartphone above target), rubbing IPS down,
VA up, TN down,
Fixed cost down ¥0.1 billion
- ◆ Semis Materials sales up, OP up
ARC® up, other semis materials up
(multi layer materials up, other new materials up)
Growing semis market
Fixed cost up ¥1.0 billion
- ◆ Inorganic Materials sales up, OP down
SNOWTEX up (non-polishing for automobiles up, polishing flat),
Organo/Monomer Sol up, Oilfield materials up
Fixed cost up ¥0.6 billion
- ◆ Fixed cost up ¥1.6 billion in total
(including common expense up ¥0.1 billion)
- ◆ Sales up ¥4.2 billion, OP up ¥1.4 billion

Agrochemicals – (A) Recent Financial Performance

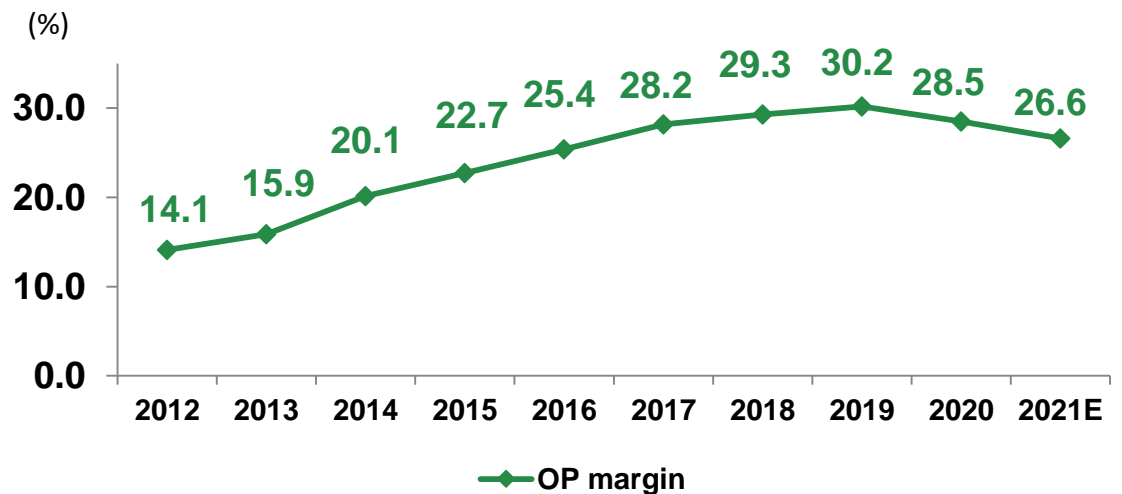
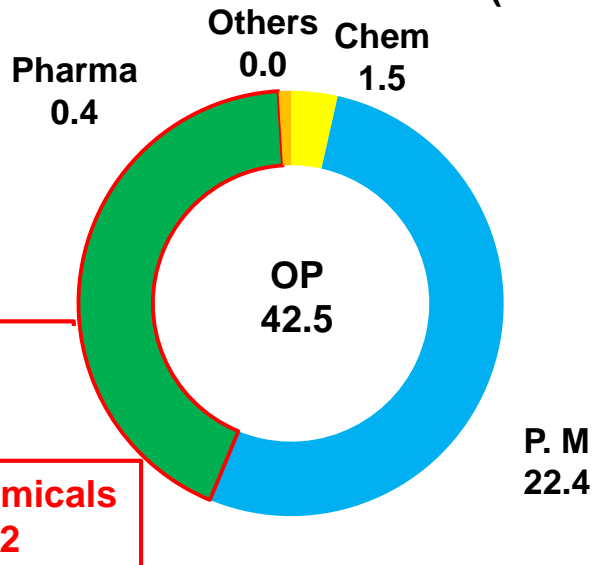
1. FY2020 Sales Distribution (¥billion)



3. Recent Financial Performance (¥billion)



2. FY2020 OP Distribution (¥billion)



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

		Consolidated Sales YOY Change			
Main Products (in order of FY2020 sales amount)		FY2019 Actual	FY2020 Outlook as of Nov.2020	FY2020 Actual	FY2021 Outlook
ROUNDUP (1)	Herbicide	+6%	0%	0%	+4%
Fluralaner	Animal health products	-9%	-11%	-12%	-11%
ALTAIR	Herbicide	+4%	+16%	+11%	0%
TARGA	Herbicide	-19%	+4%	-1%	+1%
GRACIA	Insecticide	Over +700%	+10%	-20%	+20%
PERMIT	Herbicide	+8%	-5%	+8%	-22%
LEIMAY	Fungicide	-16%	+11%	+20%	+22%
QUINTEC	Fungicide	-	+25%	-8%	+61%
DITHANE	Fungicide	-	-	-	Over +200%
Total segment	-	+3%	+1%	0%	+4%

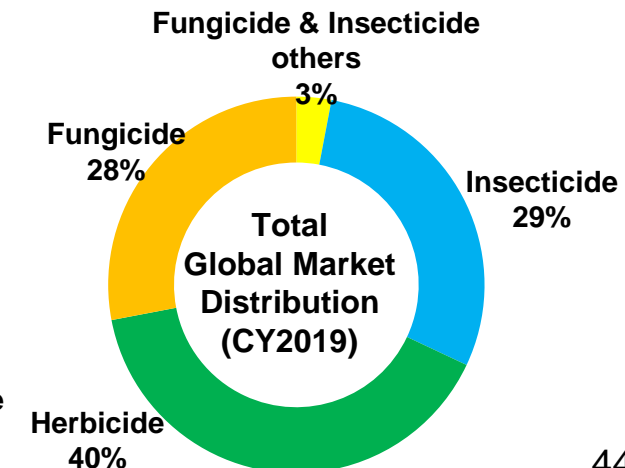
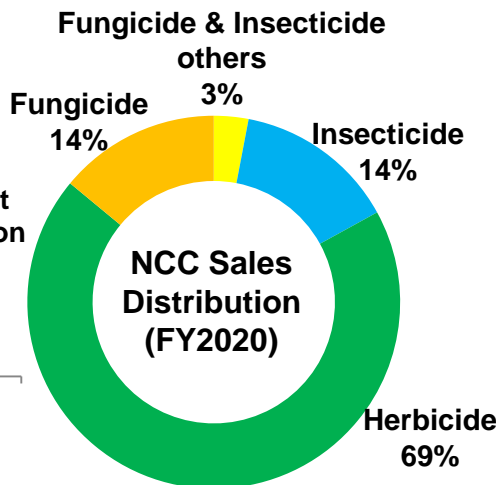
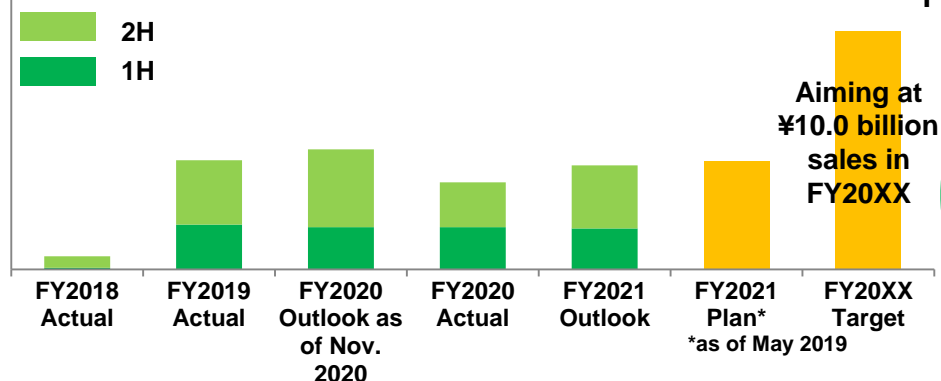
◆ No.1 in the domestic agrochemicals sales ranking (Oct.2018- Sep.2019)

⇒ See presentation materials for the ROUNDUP business briefing held on January 22, 2020

https://www.nissanchem.co.jp/eng/news_release/release/en2020_01_24.pdf

(1) ROUNDUP AL for general household accounting for 22% of FY2020 ROUNDUP sales

GRACIA Sales Growth forecast



Agrochemicals- (C) Recent Acquisitions of Agrochemical Products

◆QUINTEC (QUINOXYFEN)

- Acquired the QUINOXYFEN product line of fungicides including QUINTEC brand from Corteva in November 2019 and started to sell in December 2019
- Protective fungicide highly effective in controlling powdery mildew in fruits (especially grapes) and vegetables, mainly sold in USA

◆DITHANE (MANCOZEB)

- Acquired the MANCOZEB product line of fungicides in Japan and Korea including DITHANE brand from Corteva in December 2020 and started to sell in January 2021 in Japan
- Protective fungicide with significant efficacy against various plant diseases in fruits (especially apples and citrus) and vegetables
- Average amortized period fixed at 5 or 16 years(straight-line method)(weighted average 15.6 years) after the accounting audit. (tentatively calculated under the condition of 5-year amortization period before audit)

<DITHANE Acquisition's estimated PL impact>

Changed from the press release announced on December 21, 2020

(¥billion)

	OP	OP + Amortization
FY2020	0.3	0.4
FY2021	0.7	1.1
Total FY2022-26	3.6	5.3

Agrochemicals – (D) Main Products

Launch	Products	Application	Product development type	Notes
2002	ROUNDUP	Herbicide	Acquired	Acquired domestic business from Monsanto, continuing to grow
2008	LEIMAY	Fungicide	In-house	
2008	STARMITE	Insecticide	In-house	
2009	PULSOR (THIFLUZAMIDE)	Fungicide	Acquired	Acquired world business from Dow
2009	PREVATHON	Insecticide	Licensed-in	Licensed from DuPont
2010	ROUNDUP AL	Herbicide	In-house	For general household shower-type herbicide market, launched ROUNDUP ALII in FY2016 and ALIII in FY2017, growing sharply
2011	ALTAIR	Herbicide	In-house	Launched in Korea in FY2011 and in Japan in FY2012
2013	Fluralaner	Animal health products	In-house	Started to be supplied to MSD* in July as scheduled
2014	BRAVECTO**	Veterinary medical product for companion animals	-	Launched in several countries in EU in April 2014, in the USA in June 2014 and in Japan in July 2015
2015	TREFANOCIDE	Herbicide	Licensed-in	Acquired by Gowan from Dow, exclusive sales right in Japan transferred to NCC
2017	NEXTER	Fungicide	Licensed-in	Licensed from Syngenta
2017	TRANSFORM™ / EXCEED™	Insecticide	Licensed-in	Licensed from Dow
2017	EXZOLT**	Veterinary medical product for poultry	-	Launched in EU in September for poultry red mites by MSD
2018	GRACIA	Insecticide	In-house	Effective against a wide range of serious pests, having less negative impact on honeybees. Launched in Korea in FY2018 (expected peak sales 10.0 billion yen)
2019	QUINTEC (QUINOXYFEN)	Fungicide	Acquired	Acquired world business from Corteva. Protective fungicide highly effective in controlling powdery mildew in fruits and vegetables
2020	DITHANE (MANCOZEB)	Fungicide	Acquired	Acquired Japan and Korea business from Corteva in December 2020. Protective fungicide with significant efficacy against various plant diseases in fruits and vegetables

Pipeline

2023	NC-241(PYRAPROPOYNE)	Fungicide	In-house	General fungicide (expected peak sales 5.0 billion yen)
2024	NC-653(DIMESULFAZET)	Herbicide	In-house	Effective against resistant weeds, having excellent safety to rice, (expected peak sales 3.0 billion yen)
2027	NC-656	Herbicide	In-house	Our first foliar application rice herbicide with excellent efficacy against resistant grass weeds (expected peak sales 10.0 billion yen)

*MSD: MSD Animal Health, the global animal health business unit of Merck

**BRAVECTO, EXZOLT: the product names developed by MSD, containing the active substance Fluralaner

*Including Fluralaner

◆ Export sales* account for 39% of FY2020 consolidated segment sales (Asia:25%, Europe/Africa:60%, North/Central/South America:15%)

Expected peak sales of new products (GRACIA, QUINTEC, DITHANE, NC-241, 653, 656) 33.0 billion yen

Agrochemicals – (E-1) Fluralaner

*MSD: MSD Animal Health, the global animal health business unit of Merck

◆ Fluralaner

- Invented by NCC and supplied to MSD* as the active pharmaceutical ingredient of BRAVECTO and EXZOLT
- Currently, BRAVECTO series and EXZOLT are available in more than 100 countries
- Compound patent

Fluralaner's compound patent expires in March 2025,
but many countries have a patent term extension system

- Some EU countries including UK, France, Germany – already extended to February 2029
- USA, etc. – applications under examination

◆ BRAVECTO

- Developed and launched by MSD
- Veterinary medical products providing 12 weeks of continuous protection for dogs and cats against fleas and ticks with immediate effect, nearly 3 times longer than any monthly products in the market.
- Chewable tablet for dogs
 - April 2014 Europe, June 2014 USA, July 2015 Japan, July 2019 China
 - July 2020 monthly chews for puppies in USA
- Spot-on solution for dogs and cats
 - for cats: July 2016 EU, December 2016 USA, June 2018 Japan
 - for dogs: January 2017 USA, EU, January 2021 Japan

◆ BRAVECTO Plus

- A broad-spectrum combination spot-on solution for cats to treat internal and external parasite infestations
 - July 2018 Europe, December 2019 USA,
 - January 2021 Japan

◆ EXZOLT

- A poultry medicine against red mite launched by MSD (administered via drinking water)
 - September 2017 Europe, June 2018 Korea, and Middle East etc, April 2021 Japan(approved)



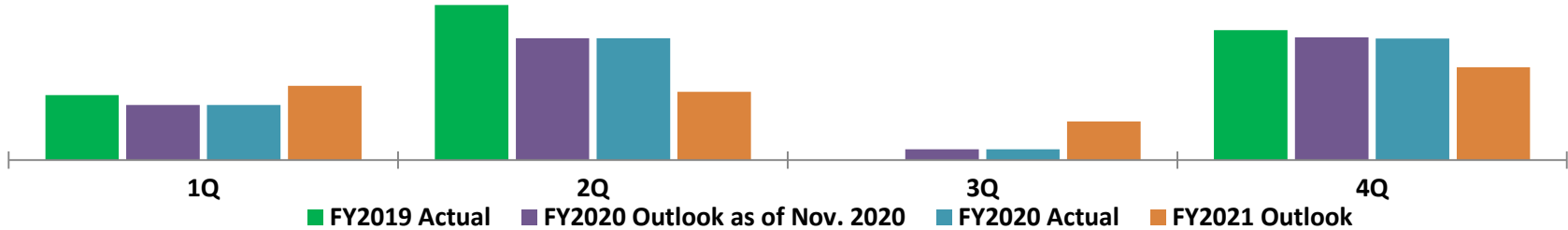
Agrochemicals – (E-2) Fluralaner

API*: Active Pharmaceutical Ingredient

◆ **NCC's Revenues**

Sales of Fluralaner to MSD as API* of BRAVECTO and EXZOLT products + Running royalties received from MSD

◆ **FY2019-FY2021 Fluralaner Quarterly Sales (including royalties)**

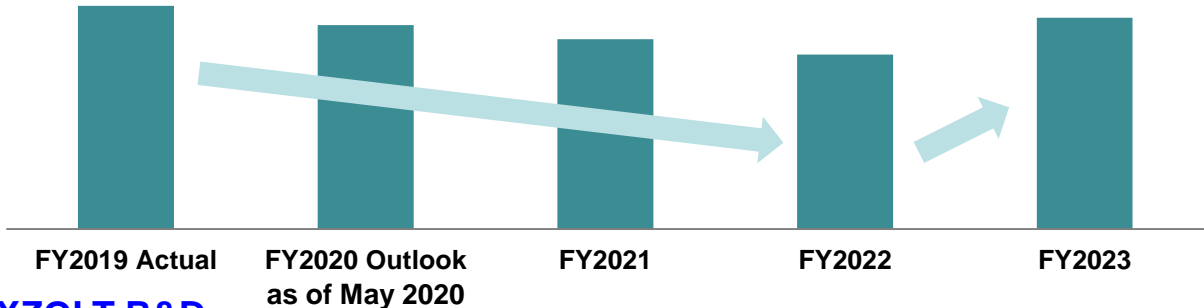


◆ **FY2021 sales: Revenue recognition policy changed (see p2)**

(until FY2020) Royalties revenue on MSD's sales for Jan-Jun: recognized in Aug, Jul-Dec: recognized in Feb
 (from FY2021) Royalties revenue on MSD's sales for Jan-Mar: recognized in May, Apr-Jun: recognized in Aug, Jul-Sep: recognized in Nov, Oct-Dec: recognized in Feb

◆ **FY2019-FY2023 Fluralaner Pro-forma Sales (including royalties) Image (Announced in May 2020)**

- BRAVECTO and EXZOLT sales expected to grow steadily
- NCC's Fluralaner sales expected to decrease until FY2022 due to continuing inventory adjustment and recover in FY2023



◆ **BRAVECTO and EXZOLT R&D**

Several pipeline products being developed by MSD (including new type of BRAVECTO for pets and spot-on solution for livestock)

Agrochemicals – (F) Joint Venture Company in India

Nissan Bharat Rasayan Private Limited (NBR)

Head Office	Gurgaon, Haryana (near New Delhi)
Plant Location	Newly built in Saykha, Gujarat (land leased by Gujarat Industrial Development Corporation)
Opening of Business	April 1, 2020
Business	Manufacturing active ingredients of agrochemicals (GRACIA, LEIMAY, QUINTEC, etc.) and exporting them to NCC
Number of Operators	150-200(assumptions as of 2022)
Plant Operating	2Q FY2022
Shareholders	NCC 70%, Bharat Rasayan LTD (BRL) 30%
Board of Directors	NCC 5, BRL 2, Independent 1, Total 8

<Funding Plan (¥billion)>

Plant	4.3	Capital (INR 1.5 billion)	2.3
Working capital and others	2.4	Borrowings provided by NCC	3.3
		Borrowings provided by local banks	1.1
Total required funds	6.7	Total funding plan	6.7

<Expected Net Contribution to NCC's Consolidated PL>

(announced in May 2020)(round number, ¥billion)

FY	2021	2022	2023	2024	2025
OP	-0.3	0.5	1.2	2.0	3.2

Bharat Rasayan Ltd (BRL)

Foundation	1989
Listing	National Stock Exchange of India(NSE), Bombay Stock Exchange (BSE)
Major Shareholders	Founders families including Sat Narain Gupta, Chairman 74.8%
2019 PL	Sales INR 12,151 million, Net Income after Taxes INR 1,576 million (one of major Indian agrochemical companies)
Plant Location	2 plants: (A) Dahej, Gujarat (B) Rohtak, Haryana
Relationship with NCC	BRL manufactures active ingredients and intermediates of NCC's products. Bharat Insecticides Ltd (BIL), a related company of Bharat group, distributes certain NCC's products(TARGA, PULSOR, PERMIT) in India

Merits to NCC

- Reliable and experienced local partner
- Diversify and secure sources of active ingredients and decrease materials shortage risks
- Lower production costs compared to plants in Japan
- Readily available plant site (official approval process for land lease already completed)
- Much less management and financial risks compared to M&A of an existing local company

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Agrochemicals – (G-1) Profit Overview

(¥billion)

	FY2019 Actual					2H FY2020 Outlook as of Nov.2020			FY2020 Actual (A)							FY2021 Outlook(B)					Change (B) - (A)				
	1H	3Q	4Q	2H	Total	3Q	4Q	2H	1Q	2Q	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	27.9	5.5	30.6	36.1	64.0	8.2	30.7	38.9	14.6	11.1	25.7	6.3	31.8	38.1	63.8	14.5	10.3	24.8	41.4	66.2	-0.1	-0.8	-0.9	+3.3	+2.4
OP	9.4	-1.8	11.7	9.9	19.3	-0.7	11.6	10.9	4.0	3.8	7.8	-1.3	11.7	10.4	18.2	3.8	2.0	5.8	11.8	17.6	-0.2	-1.8	-2.0	+1.4	-0.6

4Q FY2020 Review

<vs. 4Q FY2019>

- ◆ Sales up : DITHANE(sales start from 4Q), ALTAIR(domestic, export), LEIMAY(domestic, export), GRACIA(export), PERMIT(export)
- ◆ Sales down : GRACIA(domestic), QUINTEC(export), Fluralaner(BRAVECTO inventory adjustment), ROUNDUP(ML down, AL up), TARGA(export)
- ◆ Fixed cost down ¥0.2 billion
- ◆ Inventory valuation loss ¥0.2 billion
- ◆ Inventory adjustment cost up ¥0.3 billion
- ◆ Sales up ¥1.2 billion, OP flat

4Q FY2020 Review

<vs. 4Q FY2020 Outlook as of Nov. 2020>

- ◆ Sales above target : DITHANE(sales start from 4Q), LEIMAY(domestic, export), GRACIA(export), PERMIT(export), QUINTEC(export)
- ◆ Sales in line with target : Fluralaner
- ◆ Sales below target : GRACIA(domestic), ROUNDUP(ML, AL), ALTAIR(domestic, export), TARGA(export)
- ◆ Fixed cost above expectations (¥0.1 billion)
- ◆ Inventory valuation loss (¥0.2 billion)
- ◆ Inventory adjustment cost above expectation (¥0.1 billion)
- ◆ Sales up ¥1.1 billion, OP up ¥0.1 billion

Agrochemicals – (G-2) Profit Overview

2H FY2020 Review

<vs. 2H FY2019>

- ◆ Sales up : DITHANE(sales start from 4Q), ALTAIR(domestic, export), PERMIT(export), LEIMAY(domestic, export), TARGA(export), GRACIA(export), ROUNDUP(ML, AL), Fluralaner(royalties up)
- ◆ Sales down : GRACIA (domestic: long rain, customer inventory adjustment), QUINTEC(export)
- ◆ Fixed cost down ¥0.3 billion (including QUINTEC and DITHANE amortization up ¥0.2 billion)
- ◆ Inventory valuation loss ¥0.2 billion
- ◆ Inventory adjustment cost up ¥0.4 billion
- ◆ Sales up ¥2.0 billion, OP up ¥0.5 billion

2H FY2020 Review

<vs. 2H FY2020 Outlook as of Nov. 2020>

- ◆ Sales above target : DITHANE(Sales start from 4Q), PERMIT(domestic, export), LEIMAY(domestic, export)
- ◆ Sales in line with target : Fluralaner, ROUNDUP(ML, AL)
- ◆ Sales below target : GRACIA (domestic: long rain, customer inventory adjustment), ALTAIR(domestic, export), QUINTEC(export), TARGA(export)
- ◆ Fixed cost below expectations (¥0.1 billion) (including DITHANE amortization up ¥0.1 billion)
- ◆ Inventory valuation loss (¥0.2 billion)
- ◆ Inventory adjustment cost below expectations (¥0.2 billion)
- ◆ Sales down ¥0.8 billion, OP down ¥0.5 billion

FY2020 Review

<vs. FY2019>

- ◆ Sales up : DITHANE(Sales start from 4Q), ALTAIR(domestic, export), GRACIA(export), LEIMAY(domestic, export), PERMIT(export)
- ◆ Sales flat : ROUNDUP(AL up, ML down)
- ◆ Sales down : Fluralaner(BRAVECTO inventory adjustment), GRACIA(domestic: low temperature, long rain, customer inventory adjustment), QUINTEC(export), TARGA(export)
- ◆ Fixed cost up ¥0.3 billion (including QUINTEC and DITHANE amortization up ¥0.6 billion)
- ◆ Inventory valuation loss ¥0.2 billion
- ◆ Inventory adjustment cost up ¥0.2 billion
- ◆ Sales down ¥0.2 billion, OP down ¥1.1 billion

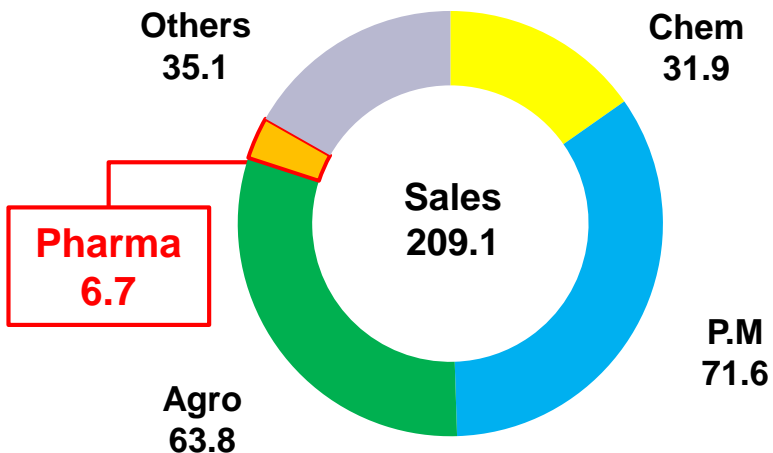
FY2021 Outlook

<vs. FY2020>

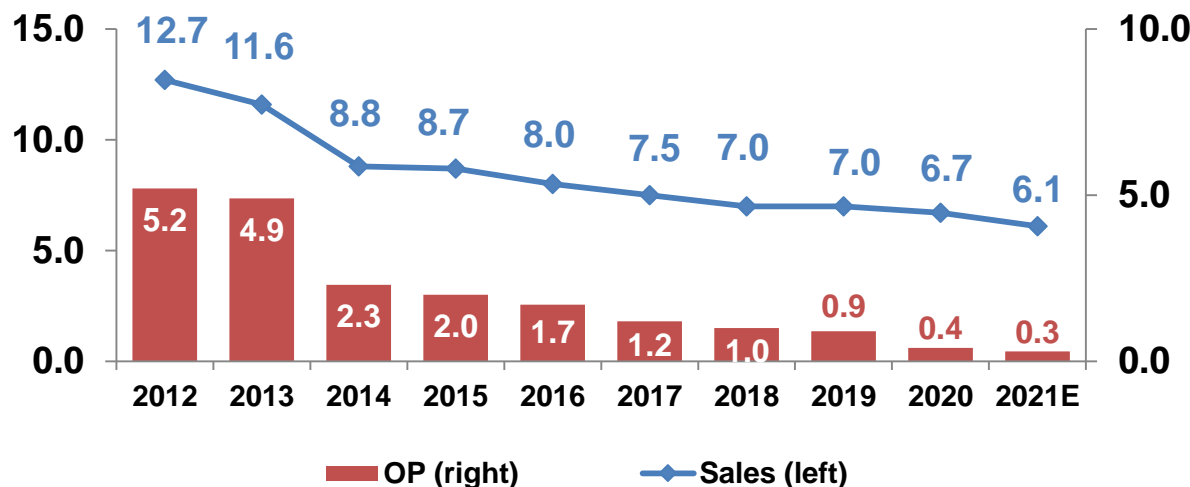
- ◆ Sales up : DITHANE(domestic, export), GRACIA(domestic), QUINTEC(export), LEIMAY(export), ROUNDUP(ML, AL), TARGA(export)
- ◆ Sales flat : ALTAIR(domestic down, export up)
- ◆ Sales down : Fluralaner(BRAVECTO inventory adjustment), PERMIT(domestic, export), GRACIA(export)
- ◆ Fixed cost up ¥1.2 billion (including DITHANE amortization up ¥0.2 billion)
- ◆ Inventory valuation gain ¥0.3 billion (loss in FY2020 and absence of inventory valuation loss in FY2021)
- ◆ Sales up ¥2.4 billion, OP down ¥0.6 billion

Pharmaceuticals – (A) Recent Financial Performance

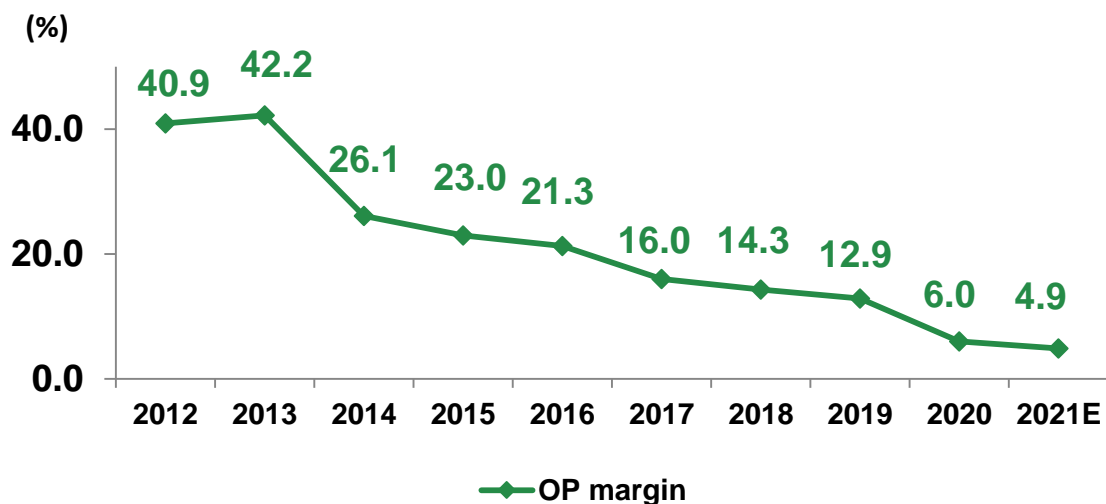
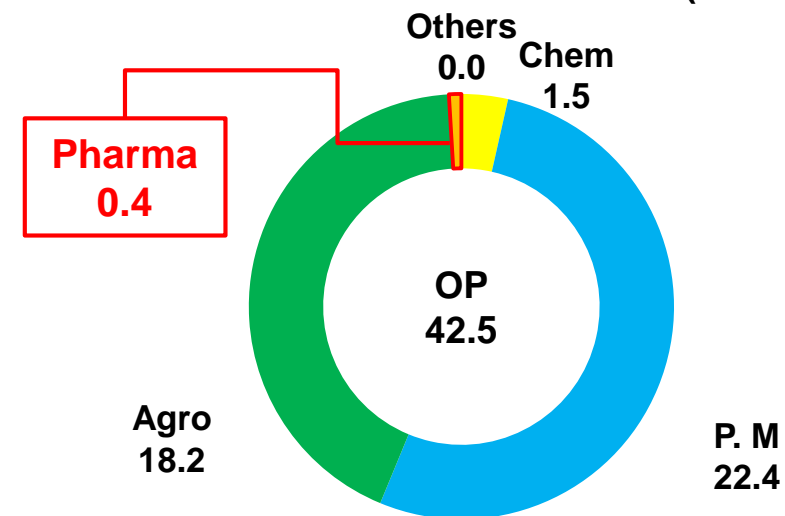
1. FY2020 Sales Distribution (¥billion)



3. Recent Financial Performance (¥billion)

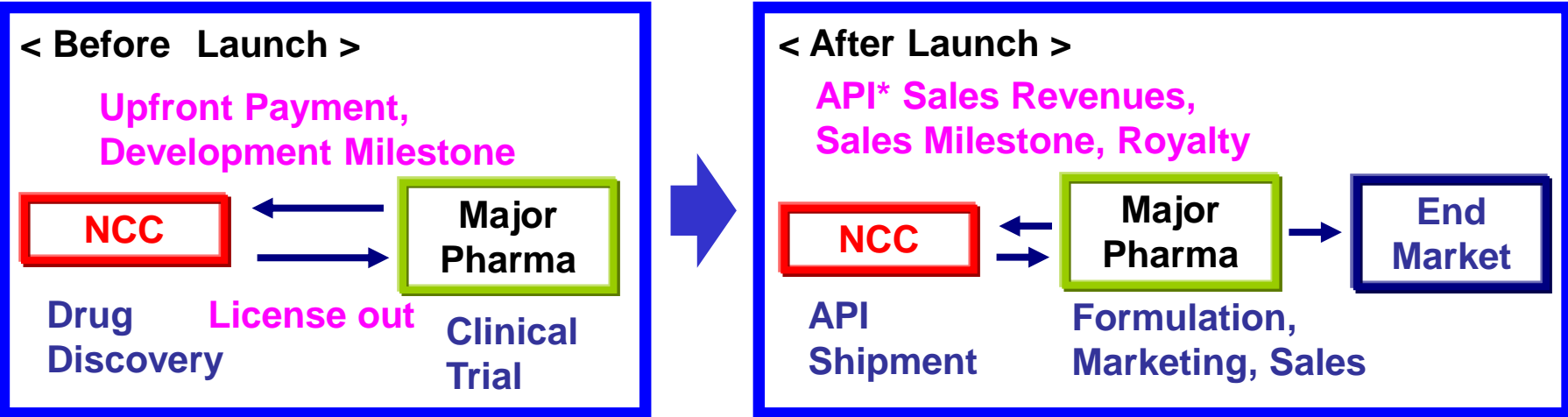


2. FY2020 OP Distribution (¥billion)



Pharmaceuticals – (B) Business Model (New Drug) and LIVALO

◆ Unique ethical pharma business model without sales force



API*: Active Pharmaceutical Ingredient

◆ LIVALO API (Anti-Cholesterol Drug)

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Outlook
Domestic End Market Sales (NHI drug price basis, ¥billion)	52.6	34.5	29.7	23.9	21.0	16.7	14.3	12.0	-
Our Domestic and Export API Sales (¥billion)	10.2	6.9	5.8	5.2	4.8	4.3	4.0	2.8	2.0
Our Domestic and Export API Sales YOY Change	-2%	-32%	-15%	-11%	-7%	-11%	-7%	-30%	-27%
(Domestic API Sales YOY Change)	(-2%)	(-46%)	(-27%)	(-42%)	(-73%)	(-53%)	(+105%)	(+6%)	(-13%)
(Export API Sales YOY Change)	(-1%)	(+21%)	(+5%)	(+26%)	(+29%)	(-6%)	(-14%)	(-35%)	(-30%)

- August 2013, domestic compound patent expired
- August 2020, market exclusivity expired in EU
- Currently, available in 28 countries

Pharmaceuticals – (C) Pipeline

Product	Mechanism of action	Expected indications	Development partners
NTC-801	· Acetylcholine-activated K ⁺ channel current (IKACH) inhibition	· Arrhythmia (Atrial fibrillation)	· Terminated the license agreement with Teijin and BMS in September 2015 · Under consideration regarding seeking new partners · Adopted as AMED* program in September 2018 · Conducting an investigator initiated clinical trial by Osaka University

*Japan Agency for Medical Research and Development

<Policy for drug discovery research>

To create innovative medicines by using the strategic chemical library, the precise organic synthesis technology, proprietary oligonucleotides therapeutics discovery platform

◆ In-house research

- Focusing on cardiovascular disease and neurological disease as core therapeutic areas
- Using state-of-the art-ion channel evaluation platform as key technology

◆ Collaborative research

- Conducting small molecule and oligonucleotides drug discovery programs with several pharmaceutical companies and bio-venture companies

Pharmaceuticals – (D) Custom Chemicals

- ◆ Custom manufacturing and process researching services for new drug pharmaceutical ingredients and intermediates from pre-clinical to commercial production stages
- ◆ In addition, focusing on obtaining new contracts mainly for high activity and high-valued added GE API products
 - 2016- Maxacalcitol (Secondary hyperparathyroidism and Psoriasis)
 - 2017- Eldecalcitol (Osteoporosis)

◆ Custom Chemicals Sales Growth

(¥billion)

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Outlook
Sales	1.2	1.8	2.3	2.4	2.5	2.6	2.9	3.8	3.9

Sales YOY Change								
FY2020 Outlook as of Nov. 2020			FY2020 Actual			FY2021 Outlook		
1H	2H	Total	1H	2H	Total	1H	2H	Total
+12%	+46%	+30%	+12%	+45%	+30%	+28%	-11%	+5%

Pharmaceuticals – (E) New Strategies (Announced in May 2020)

1. Drug Discovery (D.D)

(1) New drug discovery strategy

A. In-house research (Previously) License out only at clinical testing stage

(New) Focus on themes initiated by NCC and selected by potential licensees and license out before clinical testing stage

B. Collaborative research

◆ Provide our unique drug discovery technologies

(such as oligonucleotides drug discovery platform) to partners and aim to receive fees

◆ Advantages of our oligonucleotides drug discovery technologies

--- unique modified nucleic acids

(2) Ceilings on R&D resources

A. Reduce 10 drug discovery staffs in two years

B. Fix R&D expenses at ¥2.5 billion

(3) Focus on 10 out of 18 existing new drug discovery projects

2. Custom Chemicals (C.C)

(1) Expand high margin C.C business to support D.D business currently relying solely on LIVALO

(2) Following Maxacalcitol and Eldecalcitol, develop another high value added GE API products and launch peptides CMO business

3. PL Image

(¥billion)

		FY2019	FY2020	FY2020	FY2021
		Actual	Outlook as of Nov. 2020	Actual	Outlook as of May 2021
Sales	D.D	4.06	3.00	2.88	2.14
	C.C	2.90	3.79	3.77	3.93
	Total Segment	6.96	6.79	6.65	6.07
OP	D.D	-0.12	-0.85	-0.93	-1.51
	C.C	1.05	1.41	1.29	1.79
	Total Segment	0.93	0.56	0.36	0.28

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Pharmaceuticals – (F-1) Profit Overview (1)

(¥billion)

	FY2019 Actual					2H FY2020 Outlook as of Nov.2020			FY2020 Actual (A)							FY2021 Outlook(B)					Change (B) - (A)				
	1H	3Q	4Q	2H	Total	3Q	4Q	2H	1Q	2Q	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	3.43	1.53	2.00	3.53	6.96	1.55	2.21	3.76	1.50	1.53	3.03	1.39	2.23	3.62	6.65	0.89	2.05	2.94	3.13	6.07	-0.61	+0.52	-0.09	-0.49	-0.58
D.D	2.10	0.93	1.03	1.96	4.06	0.56	0.91	1.47	0.74	0.79	1.53	0.58	0.77	1.35	2.88	0.49	0.54	1.03	1.11	2.14	-0.25	-0.25	-0.50	-0.24	-0.74
C.C	1.33	0.60	0.97	1.57	2.90	0.99	1.30	2.29	0.76	0.74	1.50	0.81	1.46	2.27	3.77	0.40	1.51	1.91	2.02	3.93	-0.36	+0.77	+0.41	-0.25	+0.16
OP	0.53	0.02	0.38	0.40	0.93	0.60	0.47	0.53	-0.07	0.10	0.03	-0.04	0.37	0.33	0.36	-0.33	0.52	0.19	0.09	0.28	-0.26	+0.42	+0.16	-0.24	-0.08
D.D	0.05	-0.17	0.00	-0.17	-0.12	-0.35	-0.14	-0.49	-0.22	-0.14	-0.36	-0.36	-0.21	-0.57	-0.93	-0.40	-0.31	-0.71	-0.80	-1.51	-0.18	-0.17	-0.35	-0.23	-0.58
C.C	0.48	0.19	0.38	0.57	1.05	0.41	0.61	1.02	0.15	0.24	0.39	0.32	0.58	0.90	1.29	0.07	0.83	0.90	0.89	1.79	-0.08	+0.59	+0.51	-0.01	+0.50

(1) Figures in p17,18,19,20,77,78 may not match the numbers on this page due to rounding

4Q FY2020 Review

<vs. 4Q FY2019>

- (D.D)
 - ◆ LIVALO sales down (domestic up, export down)
 - ◆ Sales down ¥0.26 billion, OP down ¥0.21 billion
- (C.C)
 - ◆ Sales up (solid sales of GE API products)
 - ◆ Inventory valuation loss ¥0.1 billion (raw material cost down)
 - ◆ Sales up ¥0.49 billion, OP up ¥0.20 billion
- (Total)
 - ◆ Sales up ¥0.23 billion, OP down ¥0.01 billion

4Q FY2020 Review

<vs. 4Q FY2020 Outlook as of Nov. 2020>

- (D.D)
 - ◆ LIVALO sales below target (domestic above target, export below target)
 - ◆ Fixed cost above expectations (¥0.1 billion)
 - ◆ Inventory adjustment cost below expectations (¥0.1 billion)
 - ◆ Sales down ¥0.14 billion, OP down ¥0.07 billion
- (C.C)
 - ◆ Sales above target (shipment shifted from 3Q)
 - ◆ Inventory valuation loss (¥0.1 billion) (raw material cost down)
 - ◆ Inventory adjustment cost above expectations (¥0.1 billion)
 - ◆ Sales up ¥0.16 billion, OP down ¥0.03 billion
- (Total)
 - ◆ Sales up ¥0.02 billion, OP down ¥0.10 billion

Pharmaceuticals – (F-2) Profit Overview

2H FY2020 Review

<vs. 2H FY2019>

- (D.D) ◆ LIVALO sales down (domestic down, export down)
 ◆ Fixed cost down ¥0.1 billion
 ◆ Sales down ¥0.61 billion, OP down ¥0.40 billion
- (C.C) ◆ Sales up (solid sales of GE API products)
 ◆ Fixed cost up ¥0.1 billion
 ◆ Inventory valuation loss ¥0.1 billion (raw material cost down)
 ◆ Sales up ¥0.70 billion, OP up ¥0.33 billion
- (Total) ◆ Sales up ¥0.09 billion, OP down ¥0.07 billion

2H FY2020 Review

<vs. 2H FY2020 Outlook as of Nov. 2020>

- (D.D) ◆ LIVALO sales below target (domestic above target, export below target)
 ◆ Sales down ¥0.12 billion, OP down ¥0.08 billion
- (C.C) ◆ Sales below target (shipping adjustment)
 ◆ Inventory valuation loss (¥0.1 billion) (raw material cost down)
 ◆ Sales down ¥0.02 billion, OP down ¥0.12 billion
- (Total) ◆ Sales down ¥0.14 billion, OP down ¥0.20 billion

FY2020 Review

<vs. FY2019>

- (D.D) ◆ LIVALO sales down (domestic up, export down)
 ◆ Fixed cost down ¥0.3 billion
 ◆ Sales down ¥1.18 billion, OP down ¥0.81 billion
- (C.C) ◆ Sales up (solid sales of GE API products)
 ◆ Fixed cost up ¥0.1 billion
 ◆ Inventory valuation loss ¥0.2 billion (raw material cost down)
 ◆ Inventory adjustment cost up ¥0.2 billion
 ◆ Sales up ¥0.87 billion, OP up ¥0.24 billion
- (Total) ◆ Sales down ¥0.31 billion, OP down ¥0.57 billion

FY2021 Outlook

<vs. FY2020>

- (D.D) ◆ LIVALO sales down (domestic down, export down)
 ◆ Fixed cost up ¥0.1 billion
 ◆ Sales down ¥0.74 billion, OP down ¥0.58 billion
- (C.C) ◆ Sales up (volume increase)
 ◆ Inventory valuation gain ¥0.2 billion (absence of inventory valuation loss in FY2021)
 ◆ Fixed cost down ¥0.1 billion
 ◆ Inventory adjustment cost down ¥0.1 billion
 ◆ Sales up ¥0.16 billion, OP up ¥0.50 billion
- (Total) ◆ Sales down ¥0.58 billion, OP down ¥0.08 billion

Capex/Depreciation/R&D by Segment

(¥billion)

	Capex (1)						Depreciation (2)						R&D expenses						% of Sales (4)			
	2016	2017	2018	2019	2020	2021E	2016	2017	2018	2019	2020	2021E	2016	2017	2018	2019	2020	2021E				
Chem	2.0	2.6	2.0	3.1	4.9	4.4	1.6	1.7	1.8	1.9	2.2	2.9	0.5	0.6	0.6	0.4	0.3	0.3	0.9%			
Performance M.	8.4	7.2	3.3	3.3	3.2	5.6	4.8	5.9	6.0	5.2	4.5	4.1	7.9	8.1	8.2	7.7	7.0	7.3	9.6%			
Agro (3)	2.4	2.6	3.3	7.9	6.4	1.8	1.3	1.4	1.7	2.3	2.6	2.8	3.8	4.3	4.5	4.6	4.4	4.5	6.8%			
Pharma	0.9	0.7	0.5	0.6	0.5	0.7	0.7	0.7	0.6	0.6	0.5	0.6	2.2	2.5	2.5	2.5	2.4	2.4	39.3%			
Trading	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-			
Others	0.6	0.6	0.7	0.7	0.7	0.8	0.4	0.7	0.7	0.4	0.5	0.4	1.7	1.7	2.0	2.0	2.4	2.3	-			
Total	14.3	13.7	9.9	15.7	15.8	13.4	8.9	10.5	10.9	10.5	10.4	10.9	16.1	17.2	17.8	17.2	16.5	16.8				
													R&D expenses/Sales (4)				8.9%	8.9%	8.7%	8.3%	7.9%	9.8%

(1) Capex

Actual - Acceptance basis

Outlook - Production commencement basis

(2) Depreciation Method

SUNEVER, ARC®, Multi layer process materials - 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. 2020) –A	460
Total Professionals (Sept. 2020) –B	1,190
A/B	39%

※Parent company only

※Round number

(3) Including the acquisitions of QUINTEC in FY2019 (¥6.3 billion) and DITHANE in FY2020 (¥5.4 billion)

(4) 2021E: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2,14)

Main Capex Items (Approval Basis)

(¥billion)

FY2018 Actual		FY2019 Actual		FY2020 Outlook		FY2021 Outlook	
Chemical Research Lab. (Instruments)	0.7	Isocyanuric acid (1) (Production capacity expansion)	1.9	IT Systems	1.5	Agro (Production facilities)	3.0
Materials Research Lab. (Instruments)	0.7	Chemical Research Lab. (Instruments)	0.7	Materials Research Lab. (Instruments)	1.4	Display (Production facilities)	1.4
Agro (Product development facilities)	0.6	Materials Research Lab. (Instruments)	0.6	Agro (Production facilities)	0.9	IT Systems	1.3
NSU R&D Center	0.5	Display (Production facilities)	0.5	Semis (Analysis instruments)	0.8	Chemical Research Lab. (Instruments)	0.8
TEPIC (Production capacity expansion)	0.5	Biological Research Lab. (Instruments)	0.3	Chemical Research Lab. (Instruments)	0.7	Materials Research Lab. (Instruments)	0.6
Biological Research Lab. (Instruments)	0.4	TEPIC (Production facilities)	0.2	NCK Semis (Production capacity expansion)	0.4	Semis (Production test facilities)	0.3
Semis (Production test facilities)	0.2			Biological Research Lab. (Instruments)	0.2	Biological Research Lab. (Instruments)	0.3
SNOWTEX (Production capacity expansion)	0.2	(1) Fine Chemicals materials (see p32)					

FY2019																																					
April	<ul style="list-style-type: none"> Established Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors 																																				
June	<ul style="list-style-type: none"> Introduced a performance-linked stock compensation plan called a Board Benefit Trust for members of the Board of Directors, etc. One Outside Director added, as a result, the Board of Directors includes 3 Outside Directors out of 9. 																																				
January	<ul style="list-style-type: none"> NCC was selected as one of the 50 candidates among all listed companies of the FY2019 Corporate Value Improvement Award hosted by the Tokyo Stock Exchange for the 2nd consecutive year (FY2020 Award suspended) 																																				
FY2020																																					
June	<ul style="list-style-type: none"> NCC was selected as an inclusion in the S&P/JPX Carbon Efficient Index for the 2nd consecutive year NCC was selected as a constituent of FTSE4Good Index Series and FTSE Blossom Japan Index 																																				
August	<ul style="list-style-type: none"> NCC announced its support for recommendations of Task Force on Climate-related Financial Disclosures (TCFD) 																																				
October	<ul style="list-style-type: none"> NCC won the 2020 Awards for Excellence in Corporate Disclosure in the chemicals and fiber sector, selected by Securities Analysts Association of Japan (SAAJ) 																																				
November	<ul style="list-style-type: none"> NCC was selected as an inclusion in the Dow Jones Sustainability Asia Pacific Index for the 3rd consecutive year Published “Integrated Reports 2020” https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2020.pdf 																																				
December	<ul style="list-style-type: none"> NCC was listed on Water Security “A List” for the 2nd consecutive year and Climate Change “A- List” for the first time by CDP 																																				
January	<ul style="list-style-type: none"> NCC established new long-term target for reducing greenhouse gas (GHG) emissions <ul style="list-style-type: none"> Mid-term target in Vista2021(FY2016-2021) : Reducing GHG emissions by 20% from FY2011 levels by FY2021 → Achieved 27% reduction in FY2019 compared to FY2011 New long-term target: Reducing GHG emissions by 30% from FY2018 levels by FY2030 <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="6">GHG emissions (1,000t-CO2)</th> </tr> <tr> <th>FY</th> <th>2011</th> <th>2018</th> <th>2019</th> <th>2021</th> <th>2030</th> </tr> </thead> <tbody> <tr> <td>Mid-term target in Vista2021</td> <td>-</td> <td>-</td> <td>-</td> <td>359</td> <td>-</td> </tr> <tr> <td>Actual</td> <td>448</td> <td>363</td> <td>327</td> <td>-</td> <td>-</td> </tr> <tr> <td>New long-term target</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>254</td> </tr> <tr> <td>Average of 5 major Japanese chemical companies</td> <td>-</td> <td>-</td> <td>5,069</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	GHG emissions (1,000t-CO2)						FY	2011	2018	2019	2021	2030	Mid-term target in Vista2021	-	-	-	359	-	Actual	448	363	327	-	-	New long-term target	-	-	-	-	254	Average of 5 major Japanese chemical companies	-	-	5,069	-	-
GHG emissions (1,000t-CO2)																																					
FY	2011	2018	2019	2021	2030																																
Mid-term target in Vista2021	-	-	-	359	-																																
Actual	448	363	327	-	-																																
New long-term target	-	-	-	-	254																																
Average of 5 major Japanese chemical companies	-	-	5,069	-	-																																
FY2021																																					
April	<ul style="list-style-type: none"> Announced its Diversity Statement and Diversity Vision 																																				
June (plan)	<ul style="list-style-type: none"> One female Outside Director to be added, as a result, the Board of Directors includes 4 Outside Directors out of 10 																																				

Mid-term Plan Vista2021 Stage II (FY2019-2021) announced in May 2019 - (A)

(¥billion)

1. PL (1)

	FY2018	FY2021	FY2021	FY2021
	Actual	Mid-term Plan announced in May 2016	Current Mid-term Plan announced in May 2019	Outlook as of May 2021
Sales	204.9	250.0	235.0	172.5
Operating Profit	37.1	40.0	43.0	43.6
Ordinary Income	39.1	40.8	44.0	44.9
Net Income	29.4	31.0	33.0	34.1
EPS (¥/share)	197.67	-	230.00	239.18
Dividend (¥/share)	82	-	-	108
FX Rate (¥/\$)	111	115	110	107
Naphtha (¥/kl)	49,700	51,100	43,000	-
Crude Oil (JCC) (\$/bbl)	-	-	64	55

(Financial Targets)

	FY2018	FY2021	FY2020, FY2021	FY2021
	Actual	Mid-term Plan announced in May 2016	Current Mid-term Plan announced in May 2019	Outlook as of May 2021
OP Margin	18.1%	Above 15%	Above 18%	25.3%
ROE	16.6%	Above 14%	Above 16%	17.0%
Dividend Payout Ratio	41.5%	40%	45%	45.2%

(¥billion)

2. Segment (1)(2)

	Sales				Operating Profit			
	FY2018	FY2021	FY2021	FY2021	FY2018	FY2021	FY2021	FY2021
	Actual	Mid-Term Plan announced in May 2016	Current Mid-Term Plan announced in May 2019	Outlook as of May 2021	Actual	Mid-Term Plan announced in May 2016	Current Mid-Term Plan announced in May 2019	Outlook as of May 2021
Chem	35.7	40.5	43.1	34.6	3.0	4.5	5.1	2.4
Performance M.	63.0	82.9	75.1	75.8	15.0	18.4	17.3	23.8
Agro	62.7	67.0	70.1	66.2	18.4	16.7	21.1	17.6
Pharma	7.0	8.3	7.5	6.1	1.0	2.4	0.7	0.3
Trading, Others, Adj	36.5	51.3	39.2	-10.2	-0.3	-2.0	-1.2	-0.5
Total	204.9	250.0	235.0	172.5	37.1	40.0	43.0	43.6

(1) FY2021 Outlook: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2,14) (2) Including inter-segment sales/transfers

Mid-Term Plan Vista2021 Stage II (FY2019-2021) announced in May 2019 - (B)

1. Cash Flows

(¥billion)

	Total FY2016-2018	Total FY2019-2021 (round number)	Total FY2019-21
	Actual	Mid-Term Plan announced in May 2019	FY2019-20 Actual, FY2021 Outlook
CF from operating activities	102.1	115.0	116.2
CF from investing activities	-39.2	-45.0	-46.6
CF from financing activities	-62.0	-75.0	-78.2
(Total payout to shareholders (dividend & share repurchase))	-55.6	-70.0	-71.7
(Repayment of borrowings)	-6.4	-5.0	-5.6

	FY2018	FY2021	FY2021
	Actual	Mid-Term Plan announced in May 2019	Outlook as of May 2021
Cash at end of fiscal year	36.2	30.0	27.6
Liabilities with Interest at end of fiscal year	24.6	21.0	21.0

2. Capex, Depreciation, R&D expenses, Researchers

(¥billion)

(person)

	Capex			Depreciation			R&D expenses			Researchers	
	Total FY2016-2018	Total FY2019-2021	Total FY2019-21	Total FY2016-2018	Total FY2019-2021	Total FY2019-21	Total FY2016-2018	Total FY2019-2021	Total FY2019-21	FY2020	FY2021
	Actual	Mid-Term Plan announced in May 2019	FY2019-20 Actual, FY2021 Outlook	Actual	Mid-Term Plan announced in May 2019	FY2019-20 Actual, FY2021 Outlook	Actual	Mid-Term Plan announced in May 2019	FY2019-20 Actual, FY2021 Outlook	Actual	Mid-Term Plan announced in May 2019
Chemicals	6.6	14.7	12.4	5.2	9.4	7.0	1.6	1.4	1.0	5	10
Performance Materials	18.9	17.8	12.1	16.7	17.0	13.8	24.3	26.7	22.0	190	210
Agrochemicals	8.3	8.2	16.1	4.4	5.5	7.7	12.6	14.8	13.5	90	95
Pharmaceuticals	2.1	1.7	1.8	2.1	1.8	1.7	7.2	7.1	7.3	75	90
Trading, Others, Adjustment	2.0	2.3	2.5	1.9	3.1	1.6	5.4	8.0	6.7	100	75
Total	37.9	44.7	44.9	30.3	36.8	31.8	51.1	58.0	50.5	460	480

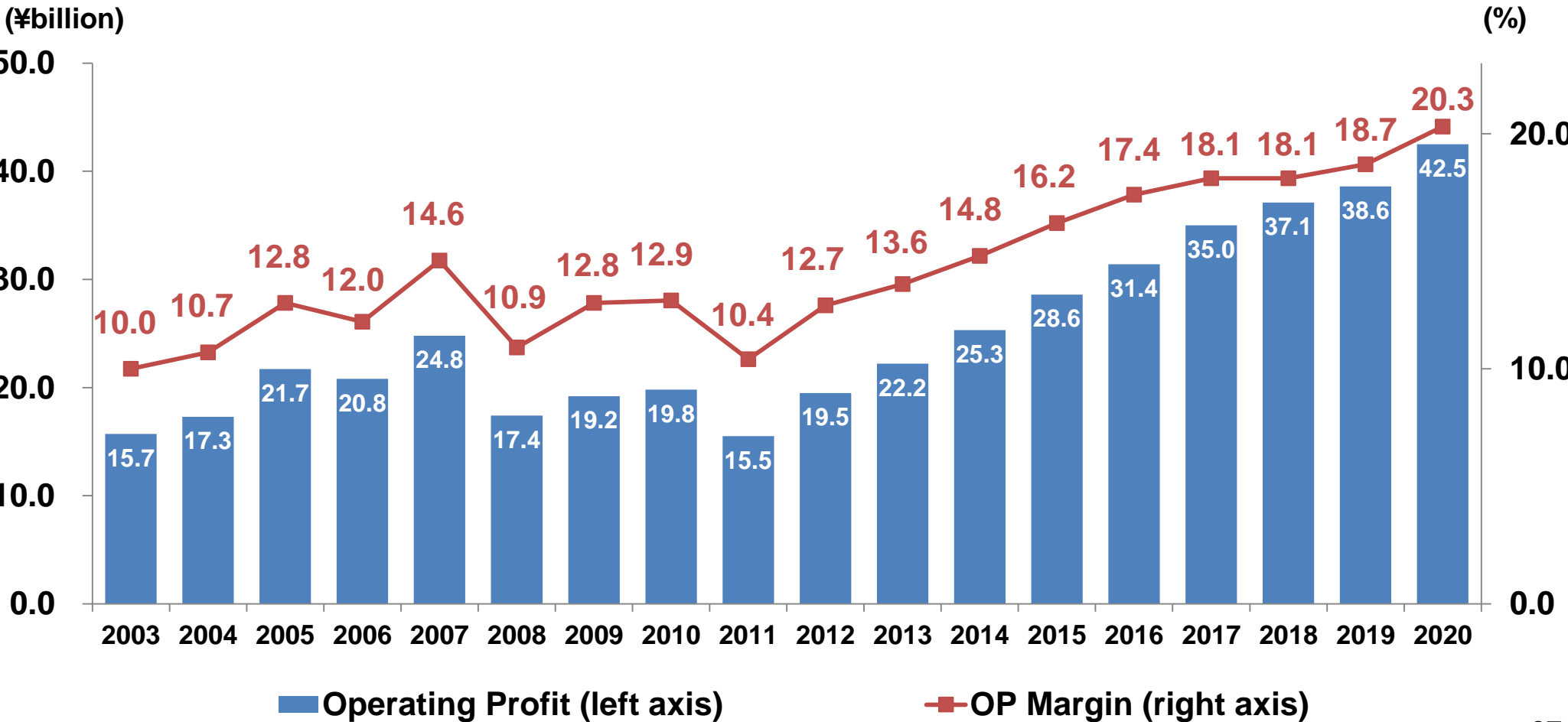
FY2021 Mid-term Plan vs. FY2021 Outlook

(¥billion)

		FY2021 Mid-term Plan (A)	FY2021 Outlook (B)	(B) - (A)	
Chemicals	Sales	43.1	34.6	-8.5	Fine Chemicals: total below target Below target: TEPIC (general applications, electronic materials), environmental related products, FO (cosmetic raw materials)
	OP	5.1	2.4	-2.7	Basic Chemicals: total below target Above target: urea including AdBlue Below target: melamine (domestic, export), high purity sulfuric acid, nitric acid products
Performance Materials	Sales	75.1	75.8	+0.7	DP: total above target Above target: photo IPS Below target: rubbing IPS, VA, TN, other display materials Semis: total above target Above target: KrF, Arf, multi layer process materials, EUV materials Below target: 3D packaging process materials, CMOS image sensor materials Inorganic: total below target Above target: SNOWTEX (non-polishing) Below target: SNOWTEX (polishing), Organo/Monomer sol, Oilfield materials
	OP	17.3	23.8	+6.5	Total Sales above target, fixed cost below expectations (DP, Semis, Inorganic) DP OP above target, Semis OP above target, Inorganic OP below target
Agro	Sales	70.1	66.2	-3.9	Above target: DITHANE, QUINTEC, ALTAIR Below target: Fluralaner, TARGA, ROUNUP (ML: in line, AL: below), PERMIT, GRACIA, LEIMAY
	OP	21.1	17.6	-3.5	Sales below target, fixed cost above expectations
Pharma	Sales	7.5	6.1	-1.4	Drug Discovery: total below target Above target: LIVALO (domestic) Below target: LIVALO (export), up-front and milestone payments Custom Chemicals: total below target Below target: GE API products, peptide CMO
	OP	0.7	0.3	-0.4	Sales below target, fixed cost below expectations Drug Discovery OP above target, Custom Chemicals OP below target
Trading, Others, Adjustment	Sales	39.2	-10.2	-49.4	Below target: Trading (-6.5), Other domestic subsidiaries (-1.5), Adjustment etc (-41.4 including -44.6 due to changes in accounting policies (see p2, 14))
	OP	-1.2	-0.5	+0.7	Trading OP below target (-0.1), Other domestic subsidiaries OP below target (-0.1), Adjustment others (+0.9)
Total	Sales	235.0	172.5	-62.5	
	OP	43.0	43.6	+0.6	

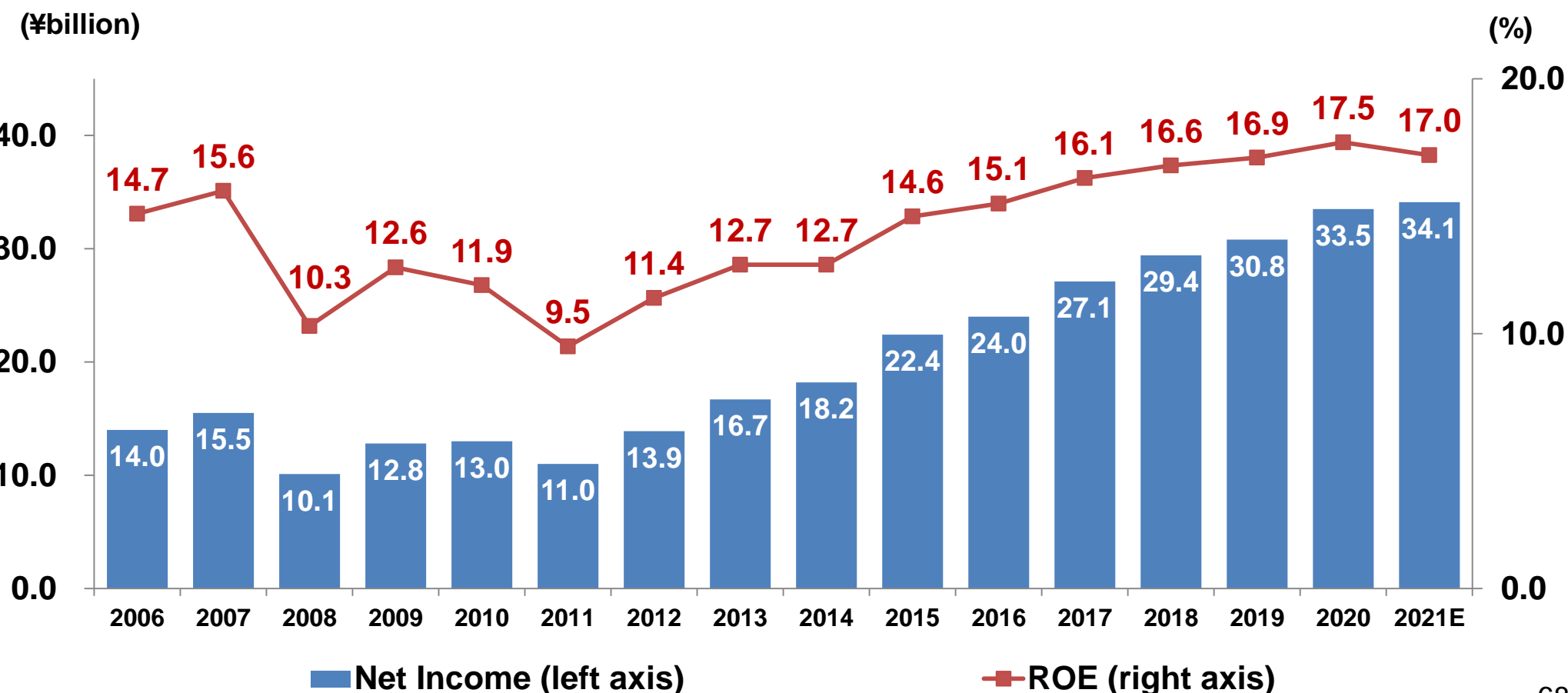
Our Characteristics - (A) Recording Stable OP Margin

◆ NCC has recorded more than 10% OP margin in 18 consecutive years (FY2003-2020)



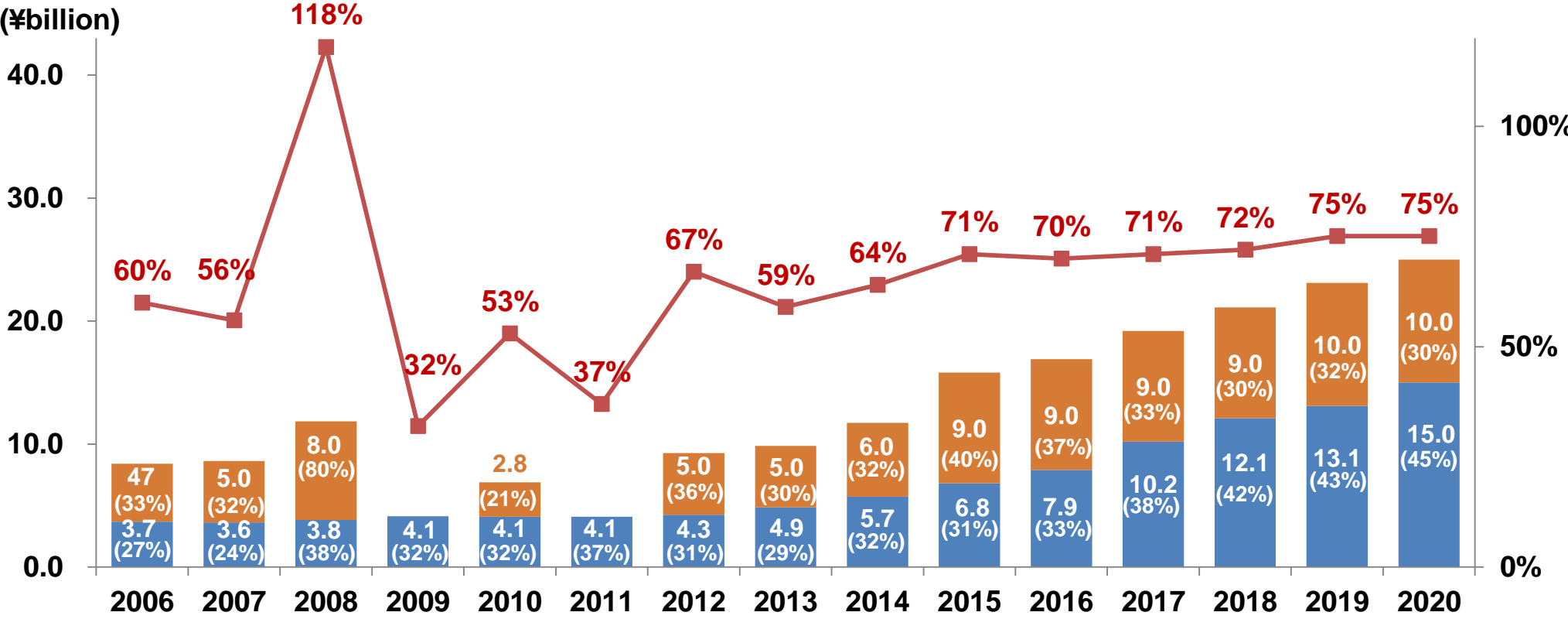
Our Characteristics - (B) High ROE

- ◆ The most important financial indicator for a long time
- ◆ Mid-Term Plan FY2019-2021 Target : Maintain above 16%
⇒ Achieved in FY2019 (16.9%), FY2020 (17.5%)



Our Characteristics - (C) Shareholders Return Policy - Total Payout Ratio

- ◆ Maintaining an aggressive shareholders return policy
- ◆ Mid-Term Plan FY2019-2021 Target : 72.5% in FY2019, 75% in FY2020-2021
⇒ Achieved in FY2019 (75.1%) , FY2020 (74.6%)



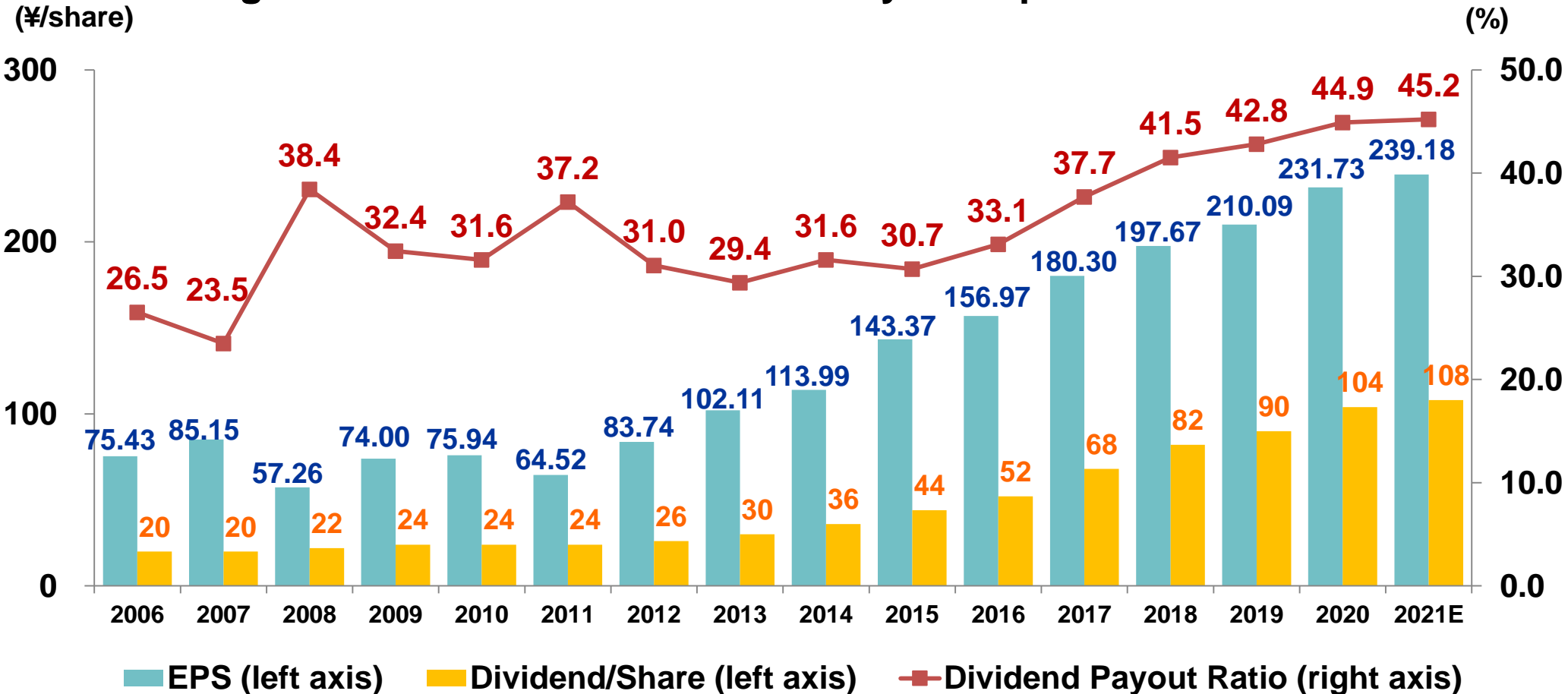
■ Share Repurchase Amount (left axis) (percentage of net income)
 ■ Total Dividend Amount (left axis) (percentage of net income)
 —■— Total Payout Ratio (right axis)

Our Characteristics - (D) Shareholders Return Policy - Dividend

◆ Mid-Term Plan FY2016-2018 Target : Gradually increased to 41.5% in FY2018
 ⇒ Achieved in FY2018 (41.5%)

◆ Mid-Term Plan FY2019-2021 Target : 42.5% in FY2019, 45% in FY2020-2021
 ⇒ Achieved in FY2019 (42.8%), FY2020 (44.9%)

◆ Increasing dividend/share in 9 consecutive years up to FY2020
 (¥/share)



Our Characteristics - (E) Shareholders Return Policy - Share Repurchase

- ◆ Started share repurchase in FY2006 only to enhance ROE, repurchased ¥92.5 billion, 42.7 million shares (22.8% of shares issued) in total from FY2006 to FY2020

- ◆ **Cancelled all repurchased shares**

Shareholders Return FY2006 - 2020

(1) excluding share acquisitions for performance-based compensation (166,200 shares)
 (2) including share acquisitions for performance-based compensation (166,200 shares)

Fiscal year	2006	2007	2008	2010	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Shares purchased (1) (thousand shares)	3,500	3,399	7,355	2,167	6,372	3,263	2,764	3,333	2,621	2,292	1,682	2,138	1,829	42,715
Purchase costs (1) (¥billion)	4.7	5.0	8.0	2.8	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	92.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	3,000	6,000	4,000	3,000	2,000	2,000	3,000	2,000	3,000	1,000	42,635
Shares issued at FY end (million shares)	185	181	174	171	165	161	158	156	154	151	149	146	145	-
Treasury shares at FY end (2) (thousand shares)	1,367	1,233	1,660	885	1,258	522	287	1,621	2,242	1,535	1,218	523	1,352	-
Total payout ratio (dividend + share repurchase)(%)	60	56	118	53	67	59	64	71	70	71	72	75	75	-

*No share repurchase in FY2009 and FY2011

- ◆ Share repurchase program

Fiscal Year	2018			2019			2020			2021E*
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H
Shares purchased (thousand shares) (1)	976	706	1,682	1,270	868	2,138	1,334	495	1,829	-
Purchase costs (¥billion) (1)	5.0	4.0	9.0	6.0	4.0	10.0	7.0	3.0	10.0	70
Shares cancelled (thousand shares)	2,000	0	2,000	2,000	1,000	3,000	1,000	0	1,000	1,000

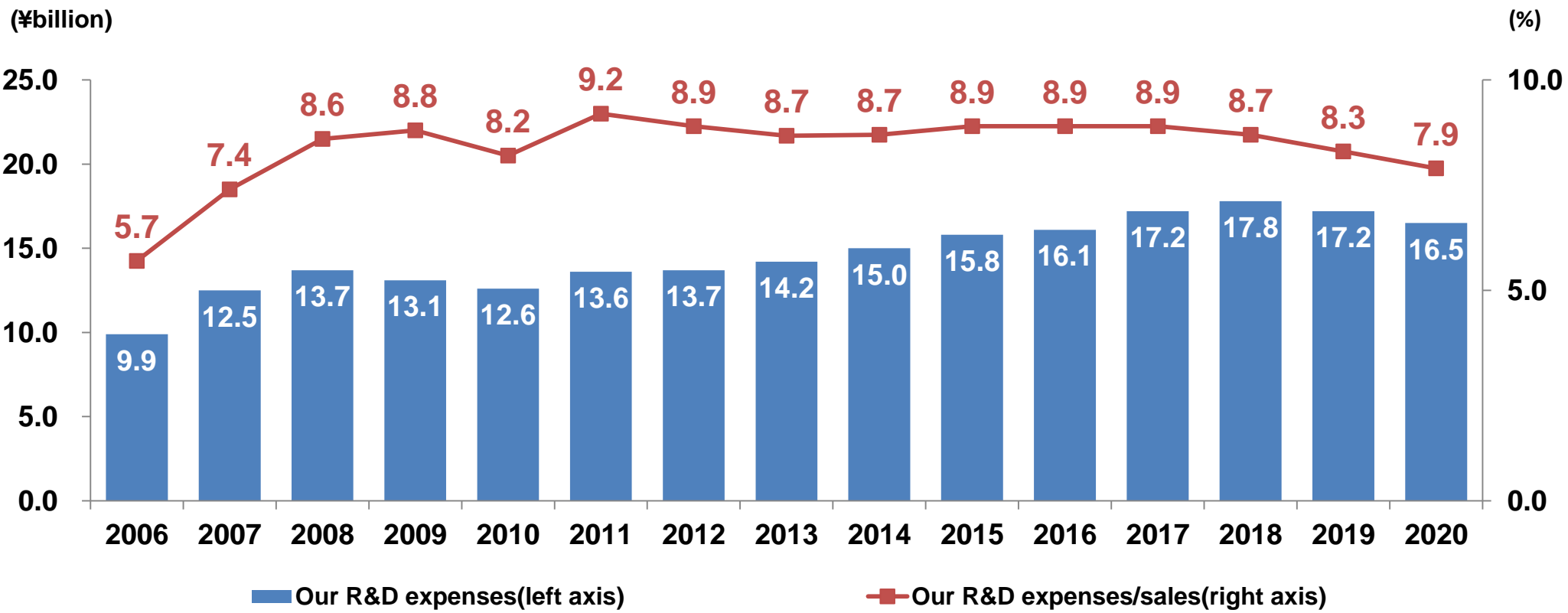
*announced in May 2021

- ◆ 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

Our Characteristics- (F-1) R&D Oriented Chemical Company

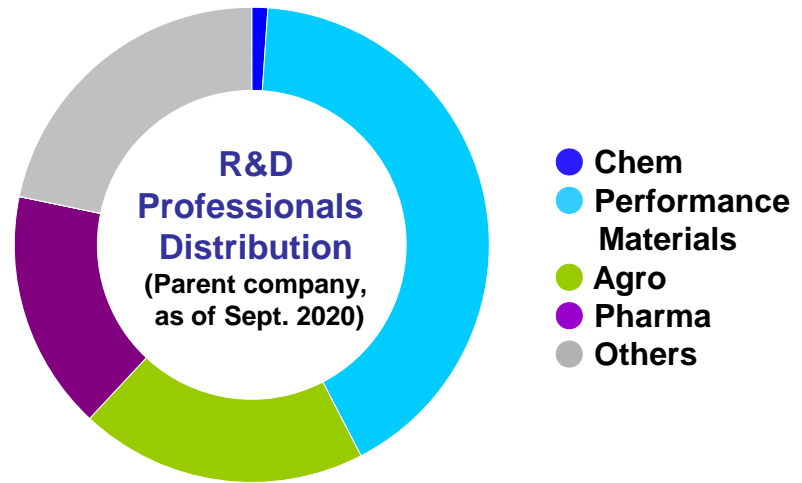
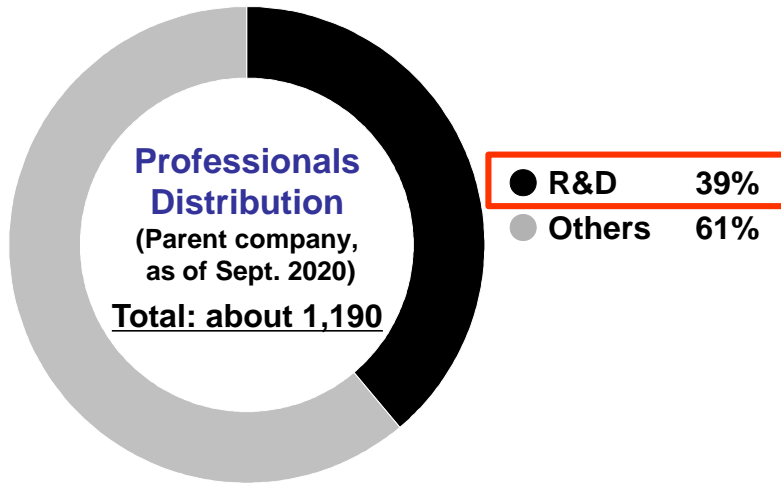
- ◆ FY2020 R&D expenses/sales: 7.9%
- ◆ Maintaining above 8% R&D expenses/sales in recent years
- ◆ About 40% of profession staff assigned to R&D centers



Our Characteristics- (F-2) R&D Oriented Chemical Company

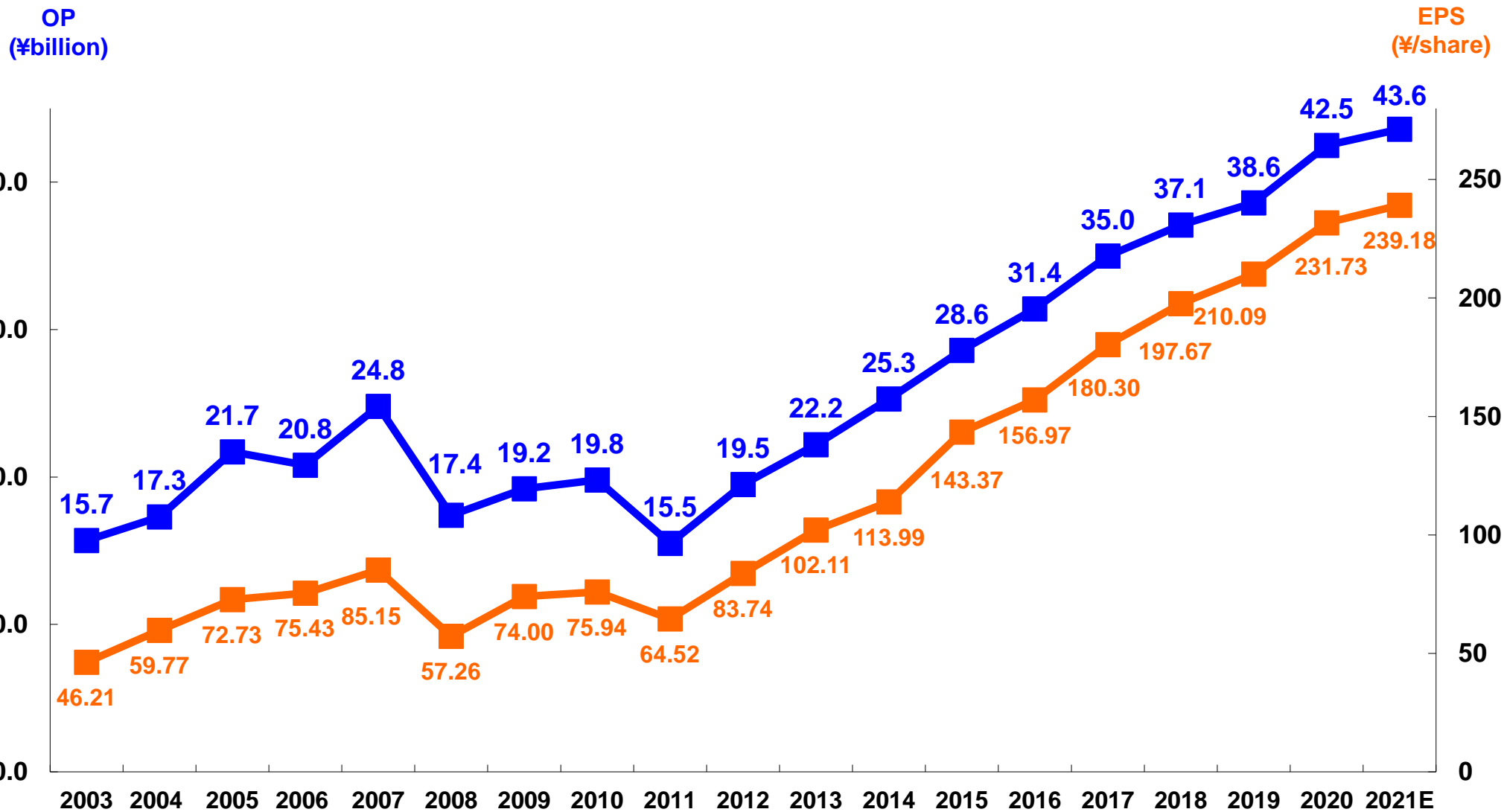
◆ R&D by segment

Segment	FY2020 Actual				
	Sales (¥billion)	OP (¥billion)	OP margin	R&D expenses (¥billion)	% of Sales
Chemicals	31.9	1.5	4.7%	0.3	0.9%
Performance Materials	71.6	22.4	31.3%	7.0	9.8%
Agrochemicals	63.8	18.2	28.5%	4.4	6.9%
Pharmaceuticals	6.7	0.4	6.0%	2.4	35.8%
Others	-	-	-	2.4	-
Total (including others and adjustment)	209.1	42.5	20.3%	16.5	7.9%



(Blank)

Long-term Financial Performance Trend



Long Term Financial Performance Trend ⁽¹⁾

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E
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	180.3	193.4	204.9	206.8	209.1	172.5
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	31.4	35.0	37.1	38.6	42.5	43.6
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	31.7	36.2	39.1	40.0	43.9	44.9
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	24.0	27.1	29.4	30.8	33.5	34.1
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.3	25.9	29.1	30.8	33.8	38.3	40.3	45.5	48.0	49.2	53.0	54.7
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%	17.4%	18.1%	18.1%	18.7%	20.3%	25.3%
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%	15.1%	16.1%	16.6%	16.9%	17.5%	17.0%
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	156.97	180.30	197.67	210.09	231.73	239.18
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	52	68	82	90	104	108
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%	33.1%	37.7%	41.5%	42.8%	44.9%	45.2%
Share Repurchase	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	7.0
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	231.7	246.0	247.0	249.5	265.5	-
Net Assets	70.4	80.0	93.6	99.3	101.2	96.8	107.7	112.4	119.6	126.7	137.8	151.3	156.9	163.7	176.4	182.1	185.5	200.6	-
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	35.7	37.7	36.2	30.6	32.4	-
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	30.8	28.6	26.6	24.6	22.7	-
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%	69.9%	71.0%	73.0%	73.7%	74.9%	-
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	7.9	8.8	9.8	10.2	14.3	13.7	9.9	15.7	15.8	13.4
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	8.9	10.5	10.9	10.5	10.4	10.9
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	17.2	17.8	17.2	16.5	16.8
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%	8.9%	8.7%	8.3%	7.9%	9.8%

(1) 2021E: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2, 14)

FY2017 - FY2020 Quarterly Sales by Segment (1)(2)(3)

(¥billion)

	FY2017 Actual					FY2018 Actual					FY2019 Actual					FY2020 Actual				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	8.8	7.9	9.2	9.0	34.9	8.7	8.3	9.6	9.1	35.7	8.4	8.4	8.7	8.8	34.3	7.4	7.3	8.3	8.9	31.9
Fine	2.8	2.5	2.8	2.5	10.6	2.7	2.4	2.6	2.7	10.4	2.6	2.6	2.6	2.7	10.5	2.7	2.7	2.8	3.2	11.4
Basic	6.0	5.4	6.4	6.5	24.3	6.0	5.9	7.0	6.4	25.3	5.8	5.8	6.1	6.1	23.8	4.7	4.6	5.5	5.7	20.5
P.M	14.1	15.0	15.1	14.6	58.8	15.6	16.4	16.6	14.4	63.0	15.1	16.3	17.0	17.1	65.5	17.1	17.5	19.2	17.8	71.6
Agro	14.6	11.5	6.4	25.6	58.1	16.4	12.3	5.9	28.1	62.7	14.7	13.2	5.5	30.6	64.0	14.6	11.1	6.3	31.8	63.8
Pharma	2.1	1.4	2.3	1.7	7.5	1.8	1.9	1.9	1.4	7.0	1.9	1.5	1.6	2.0	7.0	1.5	1.5	1.4	2.3	6.7
D.D	-	-	-	-	-	-	-	-	-	-	1.4	0.7	0.9	1.0	4.1	0.7	0.8	0.6	0.8	2.9
C.C	-	-	-	-	-	-	-	-	-	-	0.5	0.8	0.6	1.0	2.9	0.8	0.7	0.8	1.5	3.8
Trading	14.6	14.5	15.9	14.5	59.5	17.8	15.6	18.1	16.4	67.9	17.5	15.8	17.5	17.1	67.9	18.2	15.5	17.8	18.3	69.8
Others	5.4	4.3	4.6	7.2	21.5	4.6	5.9	7.2	6.9	24.6	4.9	4.9	5.1	7.5	22.4	4.8	4.6	6.8	7.6	23.8
Adj.	-12.2	-11.0	-11.8	-11.9	-46.9	-14.0	-13.3	-15.4	-13.3	-56.0	-13.8	-12.3	-13.9	-14.3	-54.3	-14.3	-12.3	-16.1	-15.8	-58.5
Total	47.4	43.6	41.7	60.7	193.4	50.9	47.1	43.9	63.0	204.9	48.7	47.8	41.5	68.8	206.8	49.3	45.2	43.7	70.9	209.1

(1) Including inter-segment sales/transfers

(2) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.

(3) In FY2020, FINEOXOCOL (FO, cosmetic raw materials) was transferred from Basic Chemicals to Fine Chemicals

FY2017 - FY2020 Quarterly OP by Segment ⁽¹⁾⁽²⁾⁽³⁾

(¥billion)

	FY2017 Actual (Old method)					FY2018 Actual (Old method)					FY2019 Actual (New method)					FY2020 Actual (New method)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chem	1.5	-0.2	1.2	0.9	3.4	1.6	-0.4	1.0	0.8	3.0	0.9	-0.6	0.5	0.5	1.3	0.7	-0.8	0.7	0.9	1.5
P.M	3.6	4.1	4.0	2.5	14.2	3.9	4.2	4.3	2.6	15.0	4.0	4.4	4.7	3.9	17.0	5.3	5.4	6.3	5.4	22.4
Agro	4.5	3.6	-0.6	8.9	16.4	5.1	4.7	-1.3	9.9	18.4	4.5	4.9	-1.8	11.7	19.3	4.0	3.8	-1.3	11.7	18.2
Pharma	0.5	0.0	0.6	0.1	1.2	0.3	0.3	0.4	0.0	1.0	0.4	0.1	0.1	0.3	0.9	-0.1	0.1	0.0	0.4	0.4
D.D	-	-	-	-	-	-	-	-	-	-	0.2	-0.2	-0.2	0.0	-0.1	-0.2	-0.1	-0.4	-0.2	-0.9
C.C	-	-	-	-	-	-	-	-	-	-	0.2	0.3	0.2	0.4	1.1	0.2	0.2	0.3	0.6	1.3
Trading	0.4	0.5	0.5	0.4	1.8	0.6	0.5	0.6	0.3	2.0	0.5	0.5	0.6	0.5	2.1	0.7	0.5	0.7	0.6	2.5
Others	0.1	0.1	0.1	0.3	0.6	0.1	0.1	0.2	0.5	0.9	0.1	0.0	0.1	0.5	0.7	0.0	0.0	0.4	0.4	0.8
Adj.	-0.6	-0.8	-0.7	-0.5	-2.6	-0.9	-0.7	-0.8	-0.8	-3.2	-1.1	-0.6	-0.7	-0.3	-2.7	-0.8	-0.8	-1.2	-0.5	-3.3
Total	10.0	7.3	5.1	12.6	35.0	10.7	8.7	4.4	13.3	37.1	9.3	8.7	3.5	17.1	38.6	9.8	8.2	5.6	18.9	42.5

(1) FY2019-2020 : New OP method (see p18)

(2) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.

(3) 3Q-4Q FY2019 Actual: Figures have been revised in Adjustment and Total due to the impact of recalculation of QUINTEC amortization (see p8)

Sales and OP by Segment (1)(2)(3)(4)

(¥billion)

<Sales (A)>

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021E
Chem	38.1	36.9	34.5	35.5	34.3	34.3	34.8	34.9	35.7	34.3	31.9	34.6
P.M	38.0	34.0	37.4	42.8	49.4	51.8	52.8	58.8	63.0	65.5	71.6	75.8
Agro	34.4	33.8	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.0	63.8	66.2
Pharma	9.6	10.0	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0	6.7	6.1
Trading	44.1	44.8	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.9	69.8	70.1
Others	27.0	20.0	21.2	21.4	20.9	20.9	24.0	21.5	24.6	22.4	23.8	23.4
Adj.	-37.0	-30.9	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-54.3	-58.5	-103.7
Total	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	172.5

<Segment Assets (D)>

<OP (B)>

Chem	2.4	1.6	1.9	1.9	1.9	3.9	3.8	3.4	3.0	1.3	1.5	2.4
P.M	7.9	4.8	7.2	8.8	12.0	12.0	12.5	14.2	15.0	17.0	22.4	23.8
Agro	4.8	4.4	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.3	18.2	17.6
Pharma	4.4	4.6	5.2	4.9	2.3	2.0	1.7	1.2	1.0	0.9	0.4	0.3
Trading	1.4	1.3	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.1	2.5	2.2
Others	1.0	0.3	0.7	0.8	0.6	0.5	1.0	0.6	0.9	0.7	0.8	0.7
Adj.	-2.1	-1.5	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.7	-3.3	-3.4
Total	19.8	15.5	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	43.6

FY2020
30.8
51.0
82.8
9.6
26.2
12.8
52.3
265.5

<ROA (E)=(B)/(D)>

<OP Margin (C)=(B)/(A)>

Chem	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	3.8%	4.7%	6.9%
P.M	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	26.0%	31.3%	31.4%
Agro	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	30.2%	28.5%	26.6%
Pharma	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	12.9%	6.0%	4.9%
Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.6%	3.1%
Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%	4.2%	2.8%	3.7%	3.1%	3.4%	3.0%
Total	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	25.3%

4.9%
43.9%
22.0%
4.2%
9.5%
6.3%
16.0%

(1) FY2010-2011 : Former Segmentation, FY2012- : New Segmentation

(2) Including inter-segment sales/transfers

(3) FY2019-2021E : New OP method (see p18)

(4) FY2021E: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2, 14)

Main Products by Segment

Segment	Products	Main Applications
Chem	◆ Fine Chemicals TEPIC Melamine cyanurate Environmental product	epoxy compound for LED sealants, solder resist, painting flame retardant HI-LITE (chlorinated isocyanuric acid for sterilizing)
	◆ Basic Chemicals Melamine AdBlue High purity Sulfuric acid Ammonia, Sulfuric acid, Nitric acid	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 ARC® OptiStack® NHC OPTIFOCUS ELSOURCE	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
	◆ Inorganic Materials SNOWTEX Organo silica sol Monomer sol Alumina sol SUNCOLLOID CELNAX Oilfield materials	water dispersed colloidal silica sol for polishing silicon wafers, special steel sheets film coating, antistatic interference shielding, electronic printing materials resin additive automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film for enhancing oil recovery
Agro	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE GRACIA ◆ Fungicide LEIMAY/ORACLE PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE) QUINTEC (QUINOXYFEN) DITHANE (MANCOZEB) ◆ Animal health products Fluralaner	soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land fruits, tea, vegetables vegetables, tea vegetables, potato, fruits potato, grape, turf fruits, vegetables fruits, vegetables active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites)
Pharma	LIVALO API Custom Chemicals	anti-cholesterol drug custom manufacturing and process researching services for pharmaceutical companies
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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Nissan Chemical
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