



Nissan Chemical
CORPORATION

Presentation for Investors

FY2021 (April 1, 2021 - March 31, 2022) Financial Results

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**Institutional
Investor**
2022 JAPAN EXECUTIVE TEAM
MOST HONORED COMPANY
NISSAN CHEMICAL CORP.

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Full-Year FY2021 Financial Summary

2H vs. 2H FY2020

- Sales up ¥1.6 billion (+1%)
- OP up ¥5.2 billion (+21%) (Including changes in accounting policies ¥0.8 billion¹)
- Net Income up ¥2.9 billion (+15%)

Full-Year vs. FY2020

- Sales down ¥1.1 billion (-1%)
- OP up ¥8.5 billion (+20%)
- Net Income up ¥5.3 billion (+16%)
- **OP and Ordinary Income set the highest results of a full year for 8 consecutive years. Net Income set the highest results of a full year for 9 consecutive years.**
- **Despite COVID-19, achieved the financial targets in Mid-Term Plan**
- **ROE 19.2%**

Full-Year vs. Outlook as of Feb 2022

- Sales below target ¥0.3 billion
- OP above target ¥1.0 billion
- Net Income above target ¥1.5 billion

Shareholder Returns

- Dividend ¥122 (¥18 up vs. FY2020), increased for 10 consecutive years
- Completed a ¥12.0 billion share repurchase program (2,033 thousand shares)
- Dividend Payout Ratio 44.9%, Total Payout Ratio 75.6%

1. Effects of changes in accounting policies (see p72)

FY2021 Financial Summary YOY Change

(¥billion)

	FY2020 Actual					FY2021 Actual ¹					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	94.5	43.7	70.9	114.6	209.1	91.8	49.5	66.7	116.2	208.0	-2.7 (-3%)	+5.8 (+13%)	-4.2 (-6%)	+1.6 (+1%)	-1.1 (-1%)
Operating Profit ²	18.0	5.6	18.9	24.5	42.5	21.3	12.6	17.1	29.7	51.0	+3.3 (+19%)	+7.0 (+124%)	-1.8 (-10%)	+5.2 (+21%)	+8.5 (+20%)
Non-Operating Income/Expenses	0.2	0.2	1.0	1.2	1.4	1.0	0.9	0.8	1.7	2.7	+0.8	+0.7	-0.2	+0.5	+1.3
Ordinary Income ²	18.2	5.8	19.9	25.7	43.9	22.3	13.5	17.9	31.4	53.7	+4.1	+7.7	-2.0	+5.7	+9.8
Extraordinary Income/Loss	1.1	0.0	0.5	0.5	1.6	0.0	0.2	0.3	0.5	0.5	-1.1	+0.2	-0.2	0.0	-1.1
Net Income ^{2·3}	13.9	4.5	15.1	19.6	33.5	16.3	9.3	13.2	22.5	38.8	+2.4	+4.8	-1.9	+2.9	+5.3
EBITDA ⁴	22.8	8.3	21.9	30.2	53.0	26.0	15.2	20.0	35.2	61.2	+3.2	+6.9	-1.9	+5.0	+8.2
EPS (¥/share) ²	95.96	30.97	104.80	135.77	231.73	113.94	65.64	92.30	157.94	271.88	+17.98	+34.67	-12.50	+22.17	+40.15
Dividend (¥/share)	46	-	-	58	104	50	-	-	72	122	+4	-	-	+14	+18
Dividend payout ratio	-	-	-	-	44.9%	-	-	-	-	44.9%	-	-	-	-	0.0%
Total amount of Dividend	6.6	-	-	8.4	15.0	7.1	-	-	10.2	17.3	+0.5	-	-	+1.8	+2.3
OP Margin ²	19.0%	12.9%	26.7%	21.4%	20.3%	23.2%	25.5%	25.5%	25.5%	24.5%	+4.2%	+12.6%	-1.2%	+4.1%	+4.2%
ROE	-	-	-	-	17.5%	-	-	-	-	19.2%	-	-	-	-	+1.7%
FX Rate (¥/\$)	107	105	106	105	106	110	114	116	115	112	-	-	-	-	-
Crude Oil (JCC) (\$/bbl) ⁵	36	44	56	50	43	70	80	86	83	77	-	-	-	-	-

1. FY2021 Actual: Including effects of changes in accounting policies (see p72)

2. FY2020 Actual: Amortization expense of the fungicide DITHANE (MANCOZEB) business, which was provisionally calculated with an amortization period of 5 years at that time, was revised to the final value of 15.6 years (weighted average) amortization after the accounting audit. As a result, OP and ordinary income have been revised by about +60 million yen and net income has been revised by about +40 million yen from the figures announced in 3Q FY2020. The only affected segment is Adjustment. Only the breakdown of 3Q and 4Q FY2020 has been revised, and there is no effect on 1H FY2020, 2H FY2020 and full year FY2020.

3. Net Income = Profit Attributable to Owners of Parent 4. EBITDA = Operating Profit + Depreciation and amortization 5. Based on Trade Statistics of Japan Ministry of Finance

FY2021 Financial Summary Compared to Outlook

(¥billion)

	FY2021 Outlook as of Feb 2022			FY2021 Actual ¹			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Sales	141.3	67.0	208.3	141.3	66.7	208.0	-0.3
Operating Profit	33.9	16.1	50.0	33.9	17.1	51.0	+1.0
Non-Operating Income/Expenses	1.9	-0.1	1.8	1.9	0.8	2.7	+0.9
Ordinary Income	35.8	16.0	51.8	35.8	17.9	53.7	+1.9
Extraordinary Income/Loss	0.2	0.0	0.2	0.2	0.3	0.5	+0.3
Net Income ^{1·2}	25.6	11.7	37.3	25.6	13.2	38.8	+1.5
EBITDA ³	41.2	19.3	60.5	41.2	20.0	61.2	+0.7
EPS (¥/share)	179.58	82.02	261.60	179.58	92.30	271.88	+10.28
Dividend (¥/share)	50	68	118	50	72	122	+4
Dividend payout ratio	-	-	45.1%	-	-	44.9%	-0.2%
Total amount of Dividend	7.1	9.7	16.8	7.1	10.2	17.3	+0.5
OP Margin	24.0%	24.0%	24.0%	24.0%	25.5%	24.5%	+0.5%
ROE	-	-	18.6%	-	-	19.2%	+0.6%
FX Rate (¥/\$)	111	107	110	111	116	112	-
Crude Oil (JCC) (\$/bbl) ⁴	74	75	74	74	86	77	-

1. FY2021 Actual: Including effects of changes in accounting policies (see p72) 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

Analysis of Changes in OP

(¥)

Full-Year	FY2021 Actual	FY2020 Actual	YOY Change	Outlook as of Feb 2022	vs. Outlook
		51.0 billion	42.5 billion	+8.5 billion (+20%)	50.0 billion
Chemicals	YOY Change +2.3 billion	Sales increase in Basic Chemicals and Fine Chemicals			
	vs. Outlook +0.6 billion	Sales above in Basic Chemicals			
Performance Materials	YOY Change +5.3 billion	Significant sales increase in Display Materials and Semis Materials			
	vs. Outlook +0.4 billion	Sales above in Display Materials and Inorganic Materials			
Agro	YOY Change +0.1 billion	Sales increase in DITHANE, TARGA, QUINTEC and ROUNDUP			
	vs. Outlook -1.0 billion	Sales below in Fluralaner API, QUINTEC and ROUNDUP			
Pharma	YOY Change +0.5 billion	Sales increase in Custom Chemicals			
	vs. Outlook +0.3 billion	Sales above in LIVALO and Custom Chemicals			

2H	FY2021 Actual	FY2020 Actual	YOY Change
		29.7 billion	24.5 billion
Chemicals	YOY Change +1.0 billion	Sales increase in Basic Chemicals and Fine Chemicals	
Performance Materials	YOY Change +2.8 billion	Significant sales increase in Display Materials and Semis Materials	
Agro	YOY Change +0.9 billion	Sales increase in DITHANE and TARGA	
Pharma	YOY Change 0.0 billion	OP flat due to inventory adjustment cost down despite sales decrease in LIVALO and Custom Chemicals	

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FY2022 Full-Year Outlook

1H vs. 1H FY2021

- Sales up ¥9.3 billion(+10%)
- OP up ¥4.7 billion(+22%)
- Net Income up ¥3.0 billion(+18%)

Full-Year vs. FY2021

- Sales up ¥11.0 billion(+5%)
- OP up ¥2.5 billion(+5%)
- Net Income up ¥0.8 billion(+2%)
- **OP and Ordinary Income expected to renew the highest results of a full year for 9 consecutive years. Net Income expected to renew the highest results of a full year for 10 consecutive years.**
- **ROE Outlook for FY2022 is 18.7%**

Shareholders Return (Full-Year Outlook)

- Based on new mid-term plan(see p60), maintain total payout ratio of 75% and increase dividend payout ratio to 55% from 45%
- Dividend is expected to increase to ¥154/share from ¥122/share(FY2021 Actual), dividend increase for 11 consecutive years, and announced ¥5.0 billion share repurchase

Dividend	¥154/share (Full-Year): 1H ¥66/share, 2H ¥88/share (Dividend Payout Ratio: 54.8%) 【vs. FY2021】 Full-Year up ¥32/share: 1H up ¥16/share, 2H up ¥16/share
Share Repurchase	¥5.0 billion <ul style="list-style-type: none"> ● ¥5.0 billion, announced on May 13, 2022 (Period: May - July 2022) (¥12.0 billion, 2,033 thousand shares in FY2021 actual)
Share Cancellation	Cancelled 1,000 thousand shares in May 2022
Total Payout Ratio Target	75% (67.4% based on ¥154/share dividend and ¥5.0 billion share repurchase)

FY2022 Outlook Summary YOY Change

(¥billion)

	FY2021 Actual					FY2022 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	46.5	45.3	91.8	116.2	208.0	52.4	48.7	101.1	117.9	219.0	+5.9 (+13%)	+3.4 (+8%)	+9.3 (+10%)	+1.7 (+1%)	+11.0 (+5%)
Operating Profit	11.9	9.4	21.3	29.7	51.0	14.6	11.4	26.0	27.5	53.5	+2.7 (+23%)	+2.0 (+21%)	+4.7 (+22%)	-2.2 (-7%)	+2.5 (+5%)
Non-Operating Income/Expenses	0.4	0.6	1.0	1.7	2.7	0.6	-0.3	0.3	0.3	0.6	+0.2	-0.9	-0.7	-1.4	-2.1
Ordinary Income	12.3	10.0	22.3	31.4	53.7	15.2	11.1	26.3	27.8	54.1	+2.9	+1.1	+4.0	-3.6	+0.4
Extraordinary Income/Loss	0.0	0.0	0.0	0.5	0.5	0.3	0.0	0.3	0.2	0.5	+0.3	0.0	+0.3	-0.3	0.0
Net Income¹	8.8	7.5	16.3	22.5	38.8	11.2	8.1	19.3	20.3	39.6	+2.4	+0.6	+3.0	-2.2	+0.8
EBITDA²	14.2	11.8	26.0	35.2	61.2	-	-	31.2	33.9	65.1	-	-	+5.2	-1.3	+3.9
EPS (¥/share)	61.73	52.21	113.94	157.94	271.88	-	-	136.77	144.13	280.90	-	-	+22.83	-13.81	+9.02
Dividend (¥/share)	-	-	50	72	122	-	-	66	88	154	-	-	+16	+16	+32
Dividend payout ratio	-	-	-	-	44.9%	-	-	-	-	54.8%	-	-	-	-	+9.9%
Total amount of Dividend	-	-	7.1	10.2	17.3	-	-	9.3	12.4	21.7	-	-	+2.2	+2.2	+4.4
OP Margin	25.5%	20.9%	23.2%	25.5%	24.5%	27.9%	23.4%	25.7%	23.3%	24.4%	+2.3%	+2.5%	+2.5%	-2.2%	-0.1%
ROE	-	-	-	-	19.2%	-	-	-	-	18.7%	-	-	-	-	-0.5%
FX Rate (¥/\$)	110	110	110	115	112	115	115	115	115	115	-	-	-	-	-
Crude Oil (JCC) (\$/bbl)³	67	73	70	83	77	88	88	88	88	88	-	-	-	-	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization 3. Based on Trade Statistics of Japan Ministry of Finance

Analysis of Changes in OP

(¥)

1H

	FY2022 Outlook	FY2021 Actual	YOY Change
	26.0 billion	21.3 billion	+4.7 billion (+22%)
Chemicals	YOY Change +0.2 billion	Sales increase in Basic Chemicals	
Performance Materials	YOY Change +1.3 billion	Sales increase in Display Materials and Semis Materials	
Agro	YOY Change +2.5 billion	Sales increase in Fluralaner, GRACIA and PERMIT	
Healthcare	YOY Change +0.6 billion	OP increase due to fixed cost down from organizational change ¹ despite sales decrease in LIVALO and Custom Chemicals	

Full-Year

	FY2022 Outlook	FY2021 Actual	YOY Change
	53.5 billion	51.0 billion	+2.5 billion (+5%)
Chemicals	YOY Change -1.6 billion	Sales decrease in Basic Chemicals	
Performance Materials	YOY Change +2.8 billion	Sales increase in Semis Materials and Inorganic Materials	
Agro	YOY Change +1.2 billion	Sales increase in Fluralaner, GRACIA and ROUNDUP	
Healthcare	YOY Change +1.2 billion	OP increase due to fixed cost down from organizational change ¹ despite sales decrease in LIVALO and Custom Chemicals	

1. Impact of organizational change (see p21, p52)

Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Loss

(¥billion)

	FY2020 Actual	FY2021 Actual	YOY Change	FY2021 Outlook as of Feb 2022 (undisclosed)	FY2022 Outlook
Non-Operating Income	2.79	3.82	+1.03	2.94	2.01
Interest income, dividend income	1.00	0.82	-0.18	0.64	0.75
Foreign exchange gains	0.00	1.13	+1.13	0.31	0.00
Equity in earnings of affiliates, others	1.79	1.87	+0.08	1.99	1.26
Non-Operating Expenses	1.43	1.09	-0.34	1.15	1.47
Interest expense	0.07	0.07	0.00	0.08	0.08
Foreign exchange losses	0.05	0.00	-0.05	0.00	0.00
Loss on disposal of non-current assets, others	1.31	1.02	-0.29	1.07	1.39
Non-Operating Income/Expenses	1.36	2.73	+1.37	1.79	0.54
Extraordinary Income	1.59	3.37	+1.78	3.32	0.50
Extraordinary Loss	0.00	2.90	+2.90	3.09	0.00
Extraordinary Income/Loss^{1·2·3}	1.59	0.47	-1.12	0.23	0.50

1. FY2020 Actual:

Extraordinary Income ¥1.59 billion (Gain on sales of investment securities ¥1.59 billion, sales amount ¥3.07 billion, sold 16 companies shares, sold 100% of our shareholdings of 11 companies, including unlisted shares)

2. FY2021 Actual:

Extraordinary Income ¥3.37 billion (Gain on sales of investment securities ¥3.37 billion, sales amount ¥4.33 billion, sold 9 companies shares, sold 100% of our shareholdings of 3 companies, including unlisted shares)

Extraordinary Loss ¥2.90 billion (melamine restructuring costs ¥1.79 billion, plant equipment removal cost of Nippon Phosphoric Acid* ¥0.63 billion, impairment loss of unlisted stock ¥0.48 billion)

*Nippon Phosphoric Acid: affiliated company (our share: 35%), Manufacturing and selling sulfuric acid and phosphoric acid liquid. In accordance with the decision to stop the production of phosphoric acid liquid, companies bear the costs of removing facilities according to its investment ratio

3. FY2022 Outlook:

Extraordinary Income ¥0.50 billion (Gain on sales of investment securities ¥0.50 billion)

Free cash flow in FY2021 was ¥29.5 billion, an increase of ¥2.4 billion from FY2020

	FY2020 Actual	FY2021 Actual	YOY Change	FY2021 Outlook as of Nov 2021	FY2022 Outlook
CF from operating activities	39.9	41.9	+2.0	39.3	43.3
Income before income taxes & non-controlling interests ¹	45.5	54.2	+8.7	49.8	54.6
Extraordinary loss (income)	-1.6	-0.5	+1.1	-1.0	-0.5
Depreciation & amortization ¹⁻²	10.4	10.2	-0.2	10.5	11.6
Income taxes paid	-11.1	-13.2	-2.1	-13.2	-13.7
Working capital, others ¹	-3.3	-8.8	-5.5	-6.8	-8.7
CF from investing activities	-12.8	-12.4	+0.4	-13.8	-21.2
Purchase of PPE	-8.2	-11.3	-3.1	-13.4	-20.1
Purchase and sales of investment securities	2.9	4.1	+1.2	4.6	1.0
Others ³	-7.5	-5.2	+2.3	-5.0	-2.1
Free cash flow	27.1	29.5	+2.4	25.5	22.1
CF from financing activities	-25.6	-27.8	-2.2	-26.5	-27.5
Payout to shareholders (dividend)	-13.6	-15.5	-1.9	-26.4	-27.5
Payout to shareholders (share repurchase)	-10.0	-12.0	-2.0		
Borrowings	-2.0	-0.3	+1.7	0.0	0.0
Others	0.0	0.0	0.0	-0.1	0.0
Effect of exchange rate change on cash & cash equivalents	0.3	0.6	+0.3	-0.1	0.0
Change in cash & cash equivalents	1.8	2.3	+0.5	-1.1	-5.4
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	0.0	0.0	0.0	0.9	1.7
Cash & cash equivalents at end of period	32.4	34.7	+2.3	32.2	31.0

1. FY2020 Actual: Figures are revised due to the impact of recalculation of DITHANE amortization (see p5) 2. Including amortization of goodwill

3. FY2020 Actual: Payments for acquisition of the DITHANE business -5.4 , Others -2.1

FY2021 Actual: Payments of long-term loans receivable to NBR -3.3, Others -1.9

(¥billion)

	2021/3	2022/3	vs. 2021/3
Current assets	159.6	175.3	+15.7
Cash	32.4	34.7	+2.3
Accounts receivable	73.9	80.0	+6.1
Inventories	46.7	52.2	+5.5
Others	6.6	8.4	+1.8
Fixed assets	105.9	104.4	-1.5
Total PPE	51.8	53.2	+1.4
Intangible assets	12.1	11.8	-0.3
Investment securities	35.9	30.2	-5.7
Others	6.1	9.2	+3.1
Total assets	265.5	279.7	+14.2

	2021/3	2022/3	vs. 2021/3
Liabilities	64.9	71.7	+6.8
Accounts payable	16.3	19.0	+2.7
Borrowings	22.7	22.7	0.0
Others	25.9	30.0	+4.1
Net assets	200.6	208.0	+7.4
Shareholders' equity ²	186.9	196.7	+9.8
Valuation difference on available-for-sale securities	11.4	8.3	-3.1
Foreign currency translation adjustment	0.1	0.9	+0.8
Non-controlling interests	1.7	2.1	+0.4
Remeasurements of defined benefit plans	0.5	0.0	-0.5
Total liabilities & net assets	265.5	279.7	+14.2

Breakdown of Investment Securities

	2021/3	2022/3	vs. 2021/3
Listed shares¹ (Number of stocks held, Non-consolidated basis)	24.4 (31)	18.9 (30)	-5.5 (-1)
Unlisted shares	2.7	2.6	-0.1
Subsidiaries/Associate shares	8.8	8.7	-0.1
Total	35.9	30.2	-5.7

Equity Ratio	74.9%	73.6%
D/E Ratio³	-5.2%	-6.1%

- 2021/3 24.4 + Acquisition 0 – Sales and valuation difference 5.5 = 2022/3 18.9
- Change in shareholders' equity +9.8 = Net Income 38.8 - Dividend and others 29.0
- D/E Ratio = (Borrowings - Cash) / Shareholders' equity

Capex/Depreciation/R&D by Segment

(¥billion)

	Capex ¹						Depreciation ²						R&D expenses					
	2017	2018	2019	2020	2021	2022E	2017	2018	2019	2020	2021	2022E	2017	2018	2019	2020	2021	2022E
Chem	2.6	2.0	3.1	4.9	2.3	3.9	1.7	1.8	1.9	2.2	2.5	2.6	0.6	0.6	0.4	0.3	0.3	0.4
Performance M. ³	7.2	3.3	3.3	3.2	5.7	8.3	5.9	6.0	5.2	4.5	3.9	4.7	8.1	8.2	7.7	7.0	7.0	7.8
Agro ⁴	2.6	3.3	7.9	6.4	1.5	4.1	1.4	1.7	2.3	2.6	2.7	3.0	4.3	4.5	4.6	4.4	4.2	4.5
Healthcare ⁵	0.7	0.5	0.6	0.5	0.7	0.5	0.7	0.6	0.6	0.5	0.5	0.4	2.5	2.5	2.5	2.4	2.1	0.7
Trading	0.0	0.1	0.1	0.1	0.0	0.3	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	0.7	0.7	0.7	0.8	1.2	0.7	0.7	0.4	0.5	0.5	0.6	1.7	2.0	2.0	2.4	2.4	4.0
Total	13.7	9.9	15.7	15.8	11.0	18.3	10.5	10.9	10.5	10.4	10.2	11.4	17.2	17.8	17.2	16.5	16.0	17.4

- Capex
Actual : Acceptance basis
Outlook : Production commencement basis (partly acceptance basis)
- 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)
- Including NCK new plant (¥3.0 billion • acceptance basis) in FY2022E
- Including the acquisitions of QUINTEC in FY2019 (¥6.3 billion) and DITHANE in FY2020 (¥5.4 billion), and NBR 1st phase construction (¥2.7 billion • acceptance basis) in FY2022E
- Organizational change was implemented in April, 2022.
FY2017-2021 Actual figures are based on old segmentation (see p21, p52)

Semiconductor main capex plan⁶

Focus on investment in evaluation equipment, development facilities and production facilities in line with the progress of semiconductor miniaturization

(¥billion)

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022E
1.1	5.6	4.0	0.4	0.4	0.2	1.5	0.3	3.8

6. Main capex : approval basis

Main Capex Items¹

(¥billion)

FY2019 Actual		FY2020 Actual		FY2021 Outlook		FY2022 Outlook	
Items	Expenses	Items	Expenses	Items	Expenses	Items	Expenses
Isocyanuric acid ² (Production capacity expansion)	1.9	Materials Research Lab. (Instruments)	1.4	Agro (Production facilities)	4.3	NCK Semis ³ (Production facilities)	3.0
Chemical Research Lab. (Instruments)	0.7	Digital Transformation related	1.1	Digital Transformation related	1.5	NBR Agro ⁴ (Production facilities)	2.7
Materials Research Lab. (Instruments)	0.6	Agro (Production facilities)	0.9	Chemical Research Lab. (Instruments)	0.7	Digital Transformation related	2.2
Display (Production facilities)	0.5	Semis (Analysis instruments)	0.8	Materials Research Lab. (Instruments)	0.5	Display (Production facilities)	1.5
Biological Research Lab. (Instruments)	0.3	Chemical Research Lab. (Instruments)	0.7	Display (Production facilities)	0.3	Chemical Research Lab. (Instruments)	0.9
TEPIC (Production facilities)	0.2	NCK Semis (Production facilities)	0.4	Biological Research Lab. (Instruments)	0.3	Materials Research Lab. (Instruments)	0.8
		Biological Research Lab. (Instruments)	0.2			Biological Research Lab. (Instruments)	0.4
						SNOWTEX (Production facilities)	0.3

1. Main capex : Approval basis (partly acceptance basis) 2. Fine Chemicals materials (see p30)
3. NCK new plant (acceptance basis) 4. NBR 1st phase construction (acceptance basis)

FY2021 Sales Outlook of Future Growth Engines (Announced in May, 2021)

Sales scale of growth products by segment FY2021 Outlook¹ (Announced in May, 2021)

	Below ¥0.3 billion	¥0.3 to ¥0.6 billion	Above ¥0.6 billion	Total
Chemicals	<ul style="list-style-type: none"> Fine Chemicals New TEPIC (Liquid type) Venus Oilclean 			¥0.0 billion
Performance Materials	<ul style="list-style-type: none"> Display Flexible hard coating materials Hole injection layer materials Alignment materials for LC retarder Semis 3D packaging process materials Inorganic Organosol (Insulation CTE) Monomer sol (3D-printing) 	<ul style="list-style-type: none"> Semis CMOS image sensor materials Inorganic Oilfield materials 	<ul style="list-style-type: none"> Semis EUV under layer 	¥3.3 billion
Agrochemicals	<ul style="list-style-type: none"> Licensed-in NEXTER In-house CLARE 	<ul style="list-style-type: none"> TRANSFORM™ EXCEED™ VIRESCO™ ALEILE 	<ul style="list-style-type: none"> In-house GRACIA ROUNDUP AL II/III Acquisition QUINTEC DITHANE 	¥11.3 billion
Pharmaceuticals	<ul style="list-style-type: none"> Custom Chemicals New GE API product New GE API product 		<ul style="list-style-type: none"> Custom Chemicals Eldecalcitol 	¥1.1 billion
Planning and Development Division	<ul style="list-style-type: none"> Life Science Materials Dept. Cell culture medium 			¥0.1 billion

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

¥15.8 billion

FY2021 Sales Actual of Future Growth Engines

Sales scale of growth products by segment FY2021 Actual¹

	Below ¥0.3 billion	¥0.3 to ¥0.6 billion	Above ¥0.6 billion	Total
Chemicals	<ul style="list-style-type: none"> Fine Chemicals New TEPIC (Liquid type) Venus Oilclean 			¥0.0 billion
Performance Materials	<ul style="list-style-type: none"> Display Light control film materials Hole injection layer materials Repellant bank layer materials Semis 3D packaging process materials CMOS image sensor materials Inorganic Organosol (Insulation CTE) New high refractive materials (IM layer film) Monomer sol (3D-printing) 	<ul style="list-style-type: none"> Inorganic Oilfield materials 	<ul style="list-style-type: none"> Semis EUV under layer 	¥3.4 billion
Agrochemicals	<ul style="list-style-type: none"> Licensed-in NEXTER TRANSFORM™ EXCEED™ VIRESCO™ In-house CLARE ALEILE 		<ul style="list-style-type: none"> In-house GRACIA ROUNDUP AL II/III Acquisition QUINTEC DITHANE 	¥9.7 billion
Pharmaceuticals	<ul style="list-style-type: none"> Custom Chemicals New GE API product New GE API product 		<ul style="list-style-type: none"> Custom Chemicals Eldecalcitol 	¥1.1 billion
Planning and Development Division	<ul style="list-style-type: none"> Life Science Materials Dept. Cell culture medium 			¥0.0 billion
				¥14.2 billion

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

New Product Lines Expected to Grow in New Mid-Term Plan Vista2027

Performance Materials

- **Display: OLED related materials**
Work to develop and expand sales of materials used in OLED.
- **Semiconductors: EUV materials, 3D packaging process materials**
Aim to expand sales of materials for further miniaturization and 3D stacking of semiconductors.

Agrochemicals

- **Agro: NC-653**
Herbicide for paddy rice to be launched in FY2024. Outstanding efficacy against resistant sedges.
- **Agro: NC-520**
Insecticide for paddy rice to be launched in FY2025. Highly effective against planthoppers.
- **Agro: NC-656**
Herbicide for paddy rice to be launched in FY2027. Excellent efficacy against resistant grass weeds.
Nissan Chemical's first foliar application rice herbicide.

Healthcare

- **Healthcare**
Work on 7 themes for Oligonucleotide Therapeutics, aim for growth in Biointerface Control Materials and Cosmetic Materials.
- **Custom Chemicals**
Work on Generic APIs and Peptide CMO business.

Planning and Development Division

- **Information & Communication Materials: RDL Materials for FOWLP, Optical Interconnect Materials**
Develop photosensitive insulation material for RDL. Aim to be adopted in the next-generation packages such as FOWLP and 3D/2.5D.
Material for wiring optical signal transmission path on PKG. Aim to be adopted by PKG substrate manufacturers etc.
- **Environment & Energy Materials: Secondary battery materials**
Slurry additive to improve battery characteristics. Currently under evaluation at a battery/automotive manufacturers.

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Appendix

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The following organizational changes were implemented on April 1, 2022, in order to achieve mid- to long-term growth while appropriately capturing changes in the business environment.

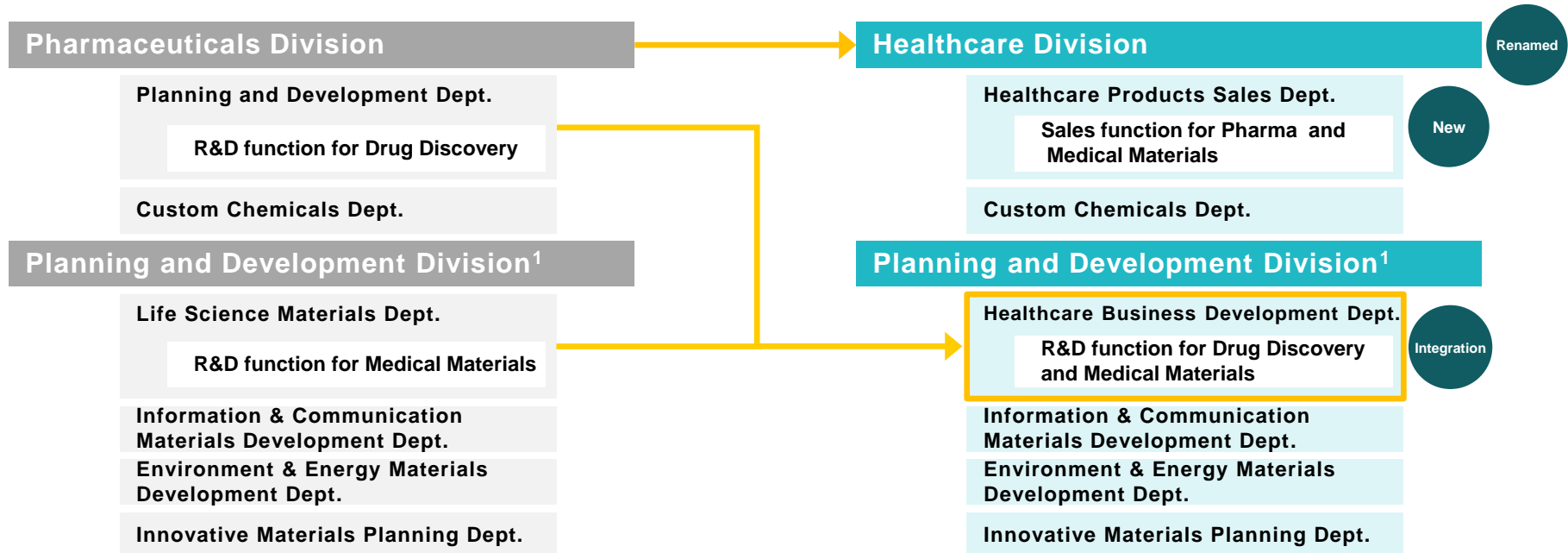
Organizational Change in “Pharmaceuticals Div.” and “Planning and Development Div.”

Purpose

Functional integration of Drug Discovery and Medical Materials
(R&D function in Planning and Development Div., Sales function in Healthcare Div.)

before

after



1. Planning and Development Division is included in “Trading, Others, Adjustment” segment. Sales and OP for Planning and Development Division in FY2021 actual, FY2022, 2024, 2027 Outlook are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

Newly Establishment of “Sustainability Promotion & IR Department”

(Integration of CSR function of “Corporate Planning Dept.” and IR function of “Finance & Accounting Dept.”)

Purpose

Promote activities that contribute to improving the sustainability of society.
Disclose integrated financial and non-financial information and strengthening dialogue with stakeholders.

FY2021 Financial Results YOY Change by Segment

(¥billion)

		FY2020 Actual					FY2021 Actual					YOY Change			
		1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	3Q	4Q	2H	Total
Chemicals	Sales	14.7	8.3	8.9	17.2	31.9	17.1	10.5	10.0	20.5	37.6	+2.2 (+26%)	+1.1 (+14%)	+3.3 (+20%)	+5.7 (+18%)
	OP	-0.1	0.7	0.9	1.6	1.5	1.2	1.3	1.3	2.6	3.8	+0.6 (+81%)	+0.4 (+47%)	+1.0 (+62%)	+2.3 (+156%)
Performance Materials	Sales	34.6	19.2	17.8	37.0	71.6	39.6	20.9	21.2	42.1	81.7	+1.7 (+9%)	+3.4 (+19%)	+5.1 (+14%)	+10.1 (+14%)
	OP	10.7	6.3	5.4	11.7	22.4	13.2	7.6	6.9	14.5	27.7	+1.3 (+21%)	+1.5 (+28%)	+2.8 (+24%)	+5.3 (+24%)
Agrochemicals	Sales	25.7	6.3	31.8	38.1	63.8	25.0	11.9	28.9	40.8	65.8	+5.6 (+92%)	-2.9 (-9%)	+2.7 (+7%)	+2.0 (+3%)
	OP	7.8	-1.3	11.7	10.4	18.2	7.0	3.1	8.2	11.3	18.3	+4.4 (-)	-3.5 (-29%)	+0.9 (+9%)	+0.1 (+1%)
Pharmaceuticals	Sales	3.0	1.4	2.3	3.7	6.7	3.3	2.0	1.3	3.3	6.6	+0.6 (+38%)	-1.0 (-39%)	-0.4 (-9%)	-0.1 (0%)
	OP	0.0	0.0	0.4	0.4	0.4	0.5	0.4	0.0	0.4	0.9	+0.4 (-)	-0.4 (-85%)	0.0 (+50%)	+0.5 (+165%)
Trading, Others, Adjustment	Sales	16.5	8.5	10.1	18.6	35.1	6.8	4.2	5.3	9.5	16.3	-4.3	-4.8	-9.1	-18.8
	OP	-0.4	-0.1	0.5	0.4	0.0	-0.6	0.2	0.7	0.9	0.3	+0.3	+0.2	+0.5	+0.3
Total	Sales	94.5	43.7	70.9	114.6	209.1	91.8	49.5	66.7	116.2	208.0	+5.8 (+13%)	-4.2 (-6%)	+1.6 (+1%)	-1.1 (-1%)
	OP	18.0	5.6	18.9	24.5	42.5	21.3	12.6	17.1	29.7	51.0	+7.0 (+124%)	-1.8 (-10%)	+5.2 (+21%)	+8.5 (+20%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

3. Sales and OP for Planning and Development Division in FY2021 actual are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

FY2021 Financial Results Compared to Outlook by Segment

(¥billion)

		FY2021 Outlook as of Feb 2022			FY2021 Actual			vs. Outlook
		1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Chemicals	Sales	27.6	9.7	37.3	27.6	10.0	37.6	+0.3
	OP	2.5	0.7	3.2	2.5	1.3	3.8	+0.6
Performance Materials	Sales	60.5	20.8	81.3	60.5	21.2	81.7	+0.4
	OP	20.8	6.5	27.3	20.8	6.9	27.7	+0.4
Agrochemicals	Sales	36.9	29.6	66.5	36.9	28.9	65.8	-0.7
	OP	10.1	9.2	19.3	10.1	8.2	18.3	-1.0
Pharmaceuticals	Sales	5.3	1.1	6.4	5.3	1.3	6.6	+0.2
	OP	0.9	-0.3	0.6	0.9	0.0	0.9	+0.3
Trading, Others, Adjustment	Sales	11.0	5.8	16.8	11.0	5.3	16.3	-0.5
	OP	-0.4	0.0	-0.4	-0.4	0.7	0.3	+0.7
Total	Sales	141.3	67.0	208.3	141.3	66.7	208.0	-0.3
	OP	33.9	16.1	50.0	33.9	17.1	51.0	+1.0

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

3. Sales and OP for Planning and Development Division in FY2021 actual are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

FY2022 Financial Results YOY Change by Segment

(¥billion)

		FY2021 Actual					FY2022 Outlook					YOY Change				
		1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chemicals	Sales	8.8	8.3	17.1	20.5	37.6	10.2	9.1	19.3	19.3	38.6	+1.4 (+15%)	+0.8 (+10%)	+2.2 (+13%)	-1.2 (-6%)	+1.0 (+3%)
	OP	1.3	-0.1	1.2	2.6	3.8	1.6	-0.2	1.4	0.8	2.2	+0.3 (+26%)	-0.1 (-)	+0.2 (+19%)	-1.8 (-70%)	-1.6 (-42%)
Performance Materials	Sales	20.0	19.6	39.6	42.1	81.7	21.2	22.2	43.4	46.5	89.9	+1.2 (+6%)	+2.6 (+13%)	+3.8 (+10%)	+4.4 (+10%)	+8.2 (+10%)
	OP	7.0	6.2	13.2	14.5	27.7	7.1	7.4	14.5	16.0	30.5	+0.1 (+2%)	+1.2 (+19%)	+1.3 (+10%)	+1.5 (+10%)	+2.8 (+10%)
Agrochemicals	Sales	13.4	11.6	25.0	40.8	65.8	17.2	13.5	30.7	42.2	72.9	+3.8 (+28%)	+1.9 (+17%)	+5.7 (+23%)	+1.4 (+3%)	+7.1 (+11%)
	OP	4.1	2.9	7.0	11.3	18.3	5.7	3.8	9.5	10.0	19.5	+1.6 (+39%)	+0.9 (+31%)	+2.5 (+36%)	-1.3 (-12%)	+1.2 (+6%)
Healthcare	Sales	1.1	2.2	3.3	3.3	6.6	1.6	1.4	3.0	2.9	5.9	+0.5 (+50%)	-0.8 (-38%)	-0.3 (-10%)	-0.4 (-12%)	-0.7 (-11%)
	OP	-0.2	0.7	0.5	0.4	0.9	0.6	0.5	1.1	1.0	2.1	+0.8 (-)	-0.2 (-21%)	+0.6 (+144%)	+0.6 (+102%)	+1.2 (+122%)
Trading, Others, Adjustment	Sales	3.2	3.6	6.8	9.5	16.3	2.2	2.5	4.7	7.0	11.7	-1.0	-1.1	-2.1	-2.5	-4.6
	OP	-0.3	-0.3	-0.6	0.9	0.3	-0.4	-0.1	-0.5	-0.3	-0.8	-0.1	+0.2	+0.1	-1.2	-1.1
Total	Sales	46.5	45.3	91.8	116.2	208.0	52.4	48.7	101.1	117.9	219.0	+5.9 (+13%)	+3.4 (+7%)	+9.3 (+10%)	+1.7 (+1%)	+11.0 (+5%)
	OP	11.9	9.4	21.3	29.7	51.0	14.6	11.4	26.0	27.5	53.5	+2.7 (+23%)	+2.0 (+21%)	+4.7 (+22%)	-2.2 (-7%)	+2.5 (+5%)

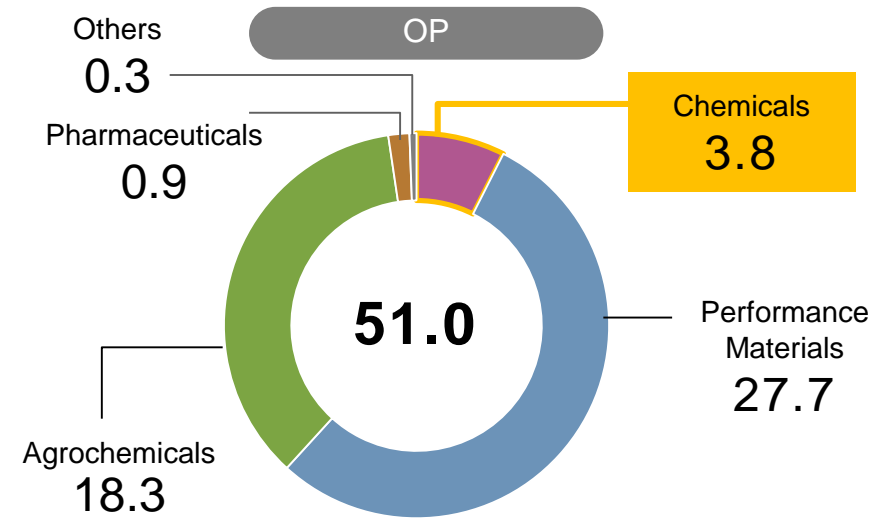
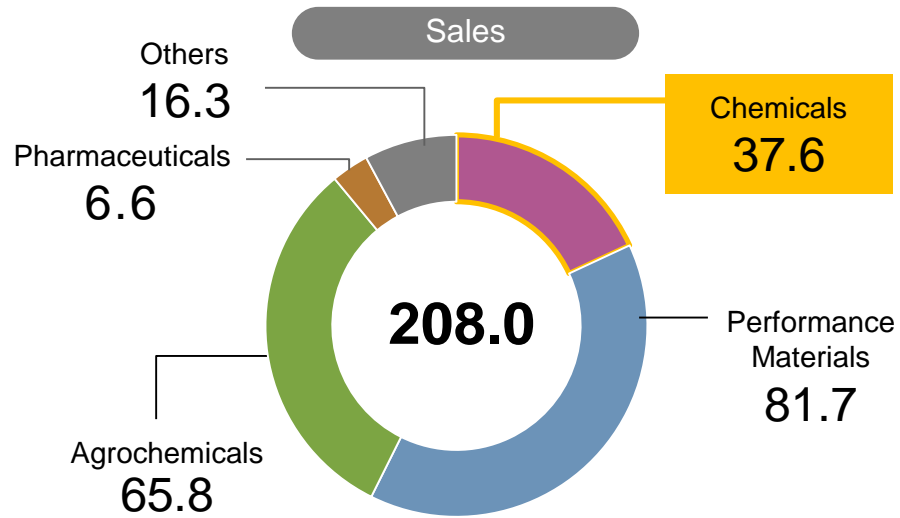
1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

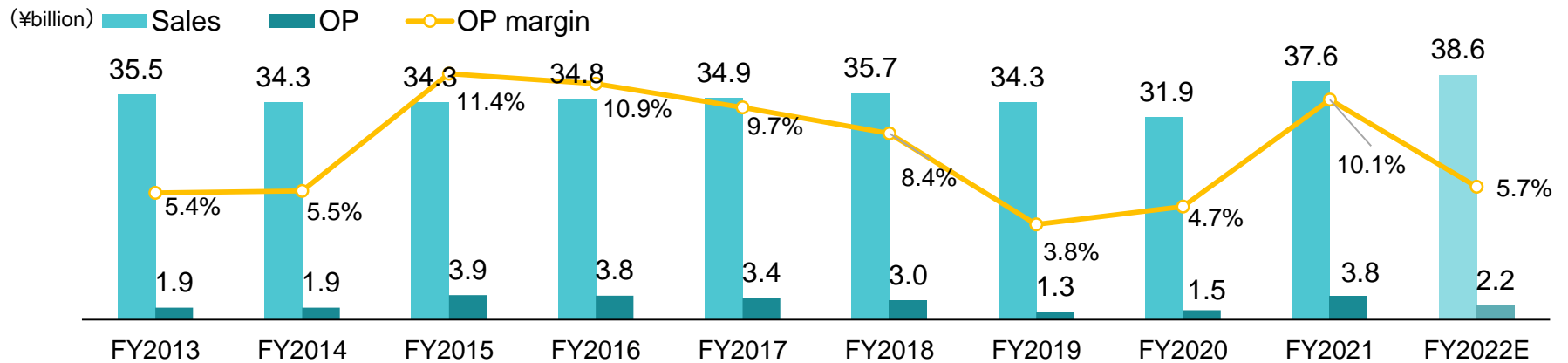
3. Sales and OP for Planning and Development Division in FY2021 actual and FY2022 outlook are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

4. Organizational change was implemented in April, 2022. FY2021 Actual figures are based on old segmentation (see p21, p52)

FY2021 Actual by Segment (¥billion)



Chemicals – Recent Financial Performance



- Fine Chemicals: 【2H FY2021】 Sales YOY +15%, Sales below target 【FY2022 Full-Year Outlook】 Sales YOY +12%
- Basic Chemicals: 【2H FY2021】 Sales YOY +22%, Sales above target 【FY2022 Full-Year Outlook】 Sales YOY -2%

Main Products	FY2021 Actual						FY2022 Outlook		
	YOY Change					vs. Outlook as of Feb 2022 (undisclosed)	YOY Change		
	1H	3Q	4Q	2H	Total		1H	2H	Total
TEPIC	+26%	+20%	-10%	+5%	+13%	Below	+12%	+4%	+8%
Environmental related products	+10%	+30%	+13%	+20%	+15%	Below	+18%	+13%	+16%
FINEOXOCOL	+34%	+54%	+77%	+65%	+50%	Above	+24%	-7%	+7%
Total Fine Chemicals ¹	+15%	+27%	+4%	+15%	+15%	Below	+17%	+7%	+12%
Melamine ²	+41%	+99%	+54%	+76%	+61%	Above	+5%	-	-62%
Urea/AdBlue [®]	+14%	+23%	+40%	+32%	+24%	Above	+44%	+30%	+36%
High purity sulfuric acid	+10%	+8%	0%	+4%	+7%	In line	+3%	+9%	+6%
Nitric acid products	+20%	+12%	+9%	+10%	+15%	Above	+6%	-1%	+3%
Total Basic Chemicals ^{3·4}	+17%	+25%	+19%	+22%	+20%	Above	+10% (+11%)	-12% (+10%)	-2% (+11%)
Total Segment ³	+16%	+26%	+14%	+20%	+18%	Above	+13% (+13%)	-6% (+9%)	+3% (+11%)

1. TEPIC, Environmental related products, and FINEOXOCOL account for 87% of total Fine Chemicals sales (FY2021 Actual)

2. Melamine plant is scheduled to be shutdown in June 2022 (see p31, Restructure based on Shutdown of Melamine Plant)

3. Growth rate in parentheses for FY2022 Outlook is the growth rate excluding melamine for both FY2021 Actual and FY2022 Outlook.

4. Melamine, Urea/AdBlue[®], High purity sulfuric acid, and Nitric acid products account for 56% of total Basic Chemical sales (FY2021 Actual)

【2H】 Sales up ¥3.3 billion, OP up ¥1.0 billion

【Full-Year】 Sales up ¥5.7 billion, OP up ¥2.3 billion

(¥billion)

	FY2020 Actual					FY2021 Actual					YOY Change		
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	4Q	2H	Total
Sales	14.7	8.3	8.9	17.2	31.9	17.1	10.5	10.0	20.5	37.6	+1.1	+3.3	+5.7
Fine Chemicals	5.4	2.8	3.2	6.0	11.4	6.2	3.7	3.2	6.9	13.1	0.0	+0.9	+1.7
Basic Chemicals	9.3	5.5	5.7	11.2	20.5	10.9	6.8	6.8	13.6	24.5	+1.1	+2.4	+4.0
OP	-0.1	0.7	0.9	1.6	1.5	1.2	1.3	1.3	2.6	3.8	+0.4	+1.0	+2.3

【2H】 Sales up, OP up 【Full-Year】 Sales up, OP up

TEPIC for
general applications

【2H】&【Full-Year】 Sales up (price up)

TEPIC for
electronic materials

【2H】&【Full-Year】 Sales down
(semiconductor shortage)

Environmental
related products

【2H】&【Full-Year】 Sales up
(isocyanuric acid capacity expansion completed)

FINEOXOCOL

【2H】&【Full-Year】 Sales up
(Recovery for cosmetics)

【2H】 Feedstock and raw materials cost up, shipping cost up

【Full-Year】 Feedstock and raw materials cost up, shipping cost up

Fine
Chemicals

【2H】 Sales up, OP up 【Full-Year】 Sales up, OP up

Melamine

【2H】&【Full-Year】 Sales up (price up)

Urea/AdBlue®

【2H】&【Full-Year】 Sales up

High purity
sulfuric acid

【2H】&【Full-Year】 Sales up

Nitric acid
products

【2H】&【Full-Year】 Sales up

Basic
Chemicals

【2H】 Feedstock and raw materials cost up

【Full-Year】 Feedstock and raw materials cost up,
shipping cost up

[4Q] Sales above target ¥0.3 billion, OP above target ¥0.6 billion

(¥billion)

	FY2021 Outlook as of Feb 2022			FY2021 Actual			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Sales	27.6	9.7	37.3	27.6	10.0	37.6	+0.3
Fine Chemicals	9.9	3.7	13.6	9.9	3.2	13.1	-0.5
Basic Chemicals	17.7	6.0	23.7	17.7	6.8	24.5	+0.8
OP	2.5	0.7	3.2	2.5	1.3	3.8	+0.6

[4Q] Sales below target, OP above target

TEPIC for general applications Sales below target
(shipment shifted from FY2021 to FY2022)

TEPIC for electronic materials Sales below target
(semiconductor shortage)

Environmental related products Sales below target
(shipment shifted from FY2021 to FY2022)

FINEOXOCOL Sales above target
(recovery for cosmetics)

Feedstock and raw materials cost up,
inventory adjustment cost below expectations ¥0.3 billion

Fine
Chemicals

[4Q] Sales above target, OP above target

Melamine Sales above target (price up)

Urea/AdBlue® Sales above target (price up)

High purity sulfuric acid Sales in line with target

Nitric acid products Sales above target

Feedstock and raw materials cost up

Basic
Chemicals

【Full-Year】 Sales up ¥1.0 billion, OP down ¥1.6 billion

(¥billion)

	FY2021 Actual					FY2022 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	8.8	8.3	17.1	20.5	37.6	10.2	9.1	19.3	19.3	38.6	+1.4	+0.8	+2.2	-1.2	+1.0
Fine Chemicals	3.2	3.0	6.2	6.9	13.1	3.7	3.6	7.3	7.4	14.7	+0.5	+0.6	+1.1	+0.5	+1.6
Basic Chemicals	5.6	5.3	10.9	13.6	24.5	6.5	5.5	12.0	11.9	23.9	+0.9	+0.2	+1.1	-1.7	-0.6
OP	1.3	-0.1	1.2	2.6	3.8	1.6	-0.2	1.4	0.8	2.2	+0.3	-0.1	+0.2	-1.8	-1.6

【Full-Year】 Sales up, OP flat

TEPIC for general applications

Sales up (shipment shifted from FY2021)

TEPIC for electronic materials

Sales up (eliminate semiconductor shortage)

Environmental related products

Sales up (price up and shipment increase)

FINEOXOCOL

Sales up (price up)

Feedstock and raw materials cost up, shipping cost up

Fine Chemicals

【Full-Year】 Sales down, OP down

Melamine

Sales down (plant shutdown in June 2022)

Urea/AdBlue®

Sales up (price up and shipment increase)

High purity sulfuric acid

Sales up (increase semis customers' orders)

Nitric acid products

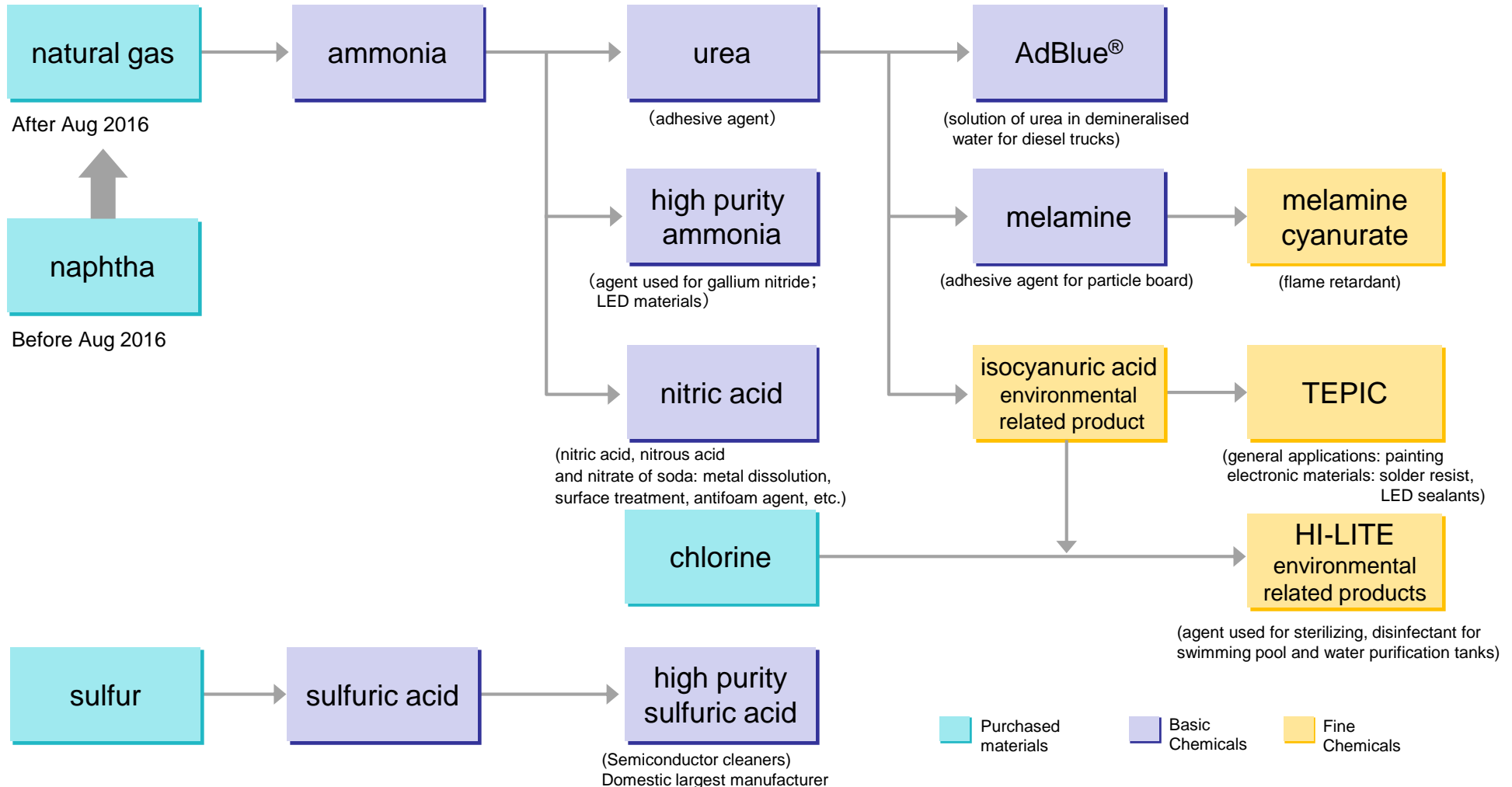
Sales up (price up)

Feedstock and raw materials cost up, fixed cost up ¥0.3 billion, inventory adjustment cost up ¥0.7 billion

Basic Chemicals

Flow Chart of Selected Basic and Fine Chemicals Products

Core products are ammonia related products and sulfuric acid related products.
 FY2021 ammonia domestic production capacity share 11%. Focus on high value-added products, such as high purity sulfuric acid and TEPIC, instead of pursuing scale.



Restructure based on Shutdown of Melamine Plant

As announced in August 2021, the production of melamine is scheduled to be terminated in June 2022.

We will concentrate its management resources on high value-added products and products with a high market share.

1. Sales・OP distribution (Total FY2018-2021)

(¥billion)

	Sales	OP	Main products
Ammonia-related products	92.5(66%)	1.9(20%)	ammonia, urea/AdBlue®, high purity ammonia, melamine, nitric acid, isocyanuric acid, Hi-LITE, TEPIC, melamine cyanurate
Sulfuric acid-related products	47.0(34%)	7.7(80%)	sulfuric acid, purified sulfuric acid, high purity sulfuric acid
Others			FINEOXOCOL etc.
Total Chemicals	139.5(100%)	9.6(100%)	

*Among ammonia-related products, melamine has the highest sales but is in the red

*Total profit of ammonia-related products other than melamine is in the black

2. Current status and prospects of melamine

Unlikely to secure stable profits in mid-long term, and to expect profit expansion by new investments

- World production capacity is twice of demand (our estimate)
- Domestic production capacity (2 companies including Nissan Chemical) is 3 times of demand (our estimate)
- Prices are on recovery trend, but always unstable due to cheaper Chinese products
(Chinese production capacity accounts for about 70% of the world)

3. Actions to be taken

- (1) Melamine: (A) stop production permanently in June 2022, (B) end sales when inventory eliminated
- (2) Expand sales of Chemicals segment by concentrating on high value and high share products
- (3) Reassign melamine plant operators in Toyama plant
- (4) Continue to sell melamine derivatives by purchasing melamine as raw materials

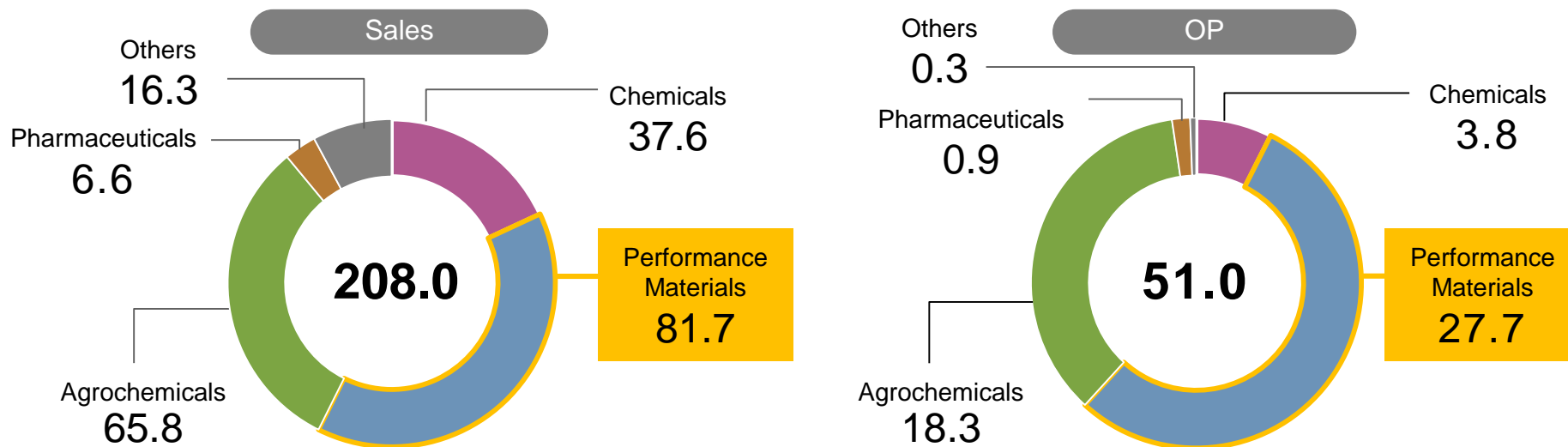
4. PL effects

The effects of related costs were minor as such costs were compensated by gain on sales of investment securities (recorded in 2Q FY2021, see p12)

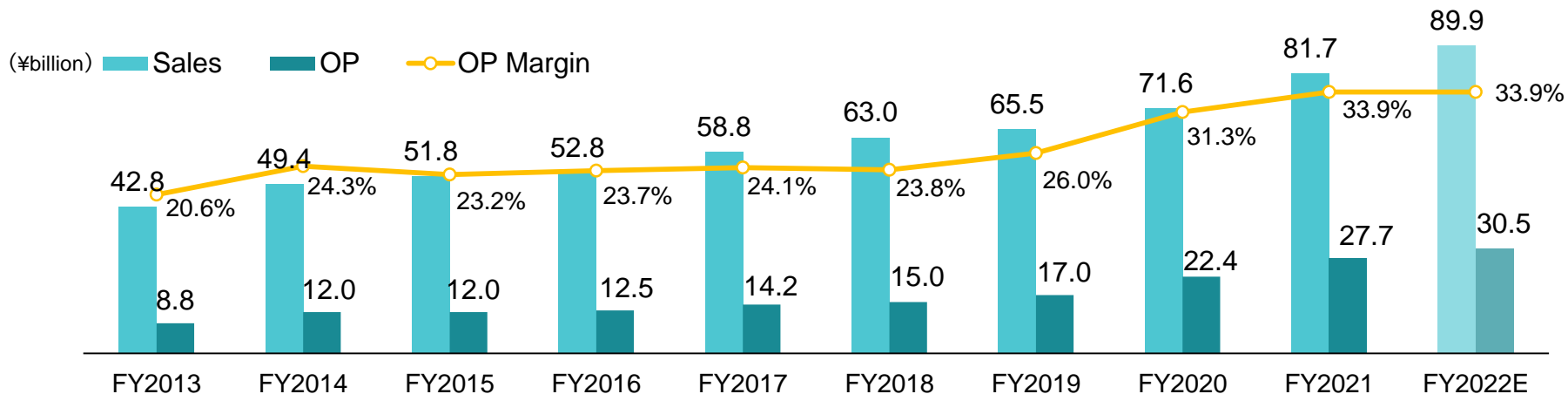
5. ESG

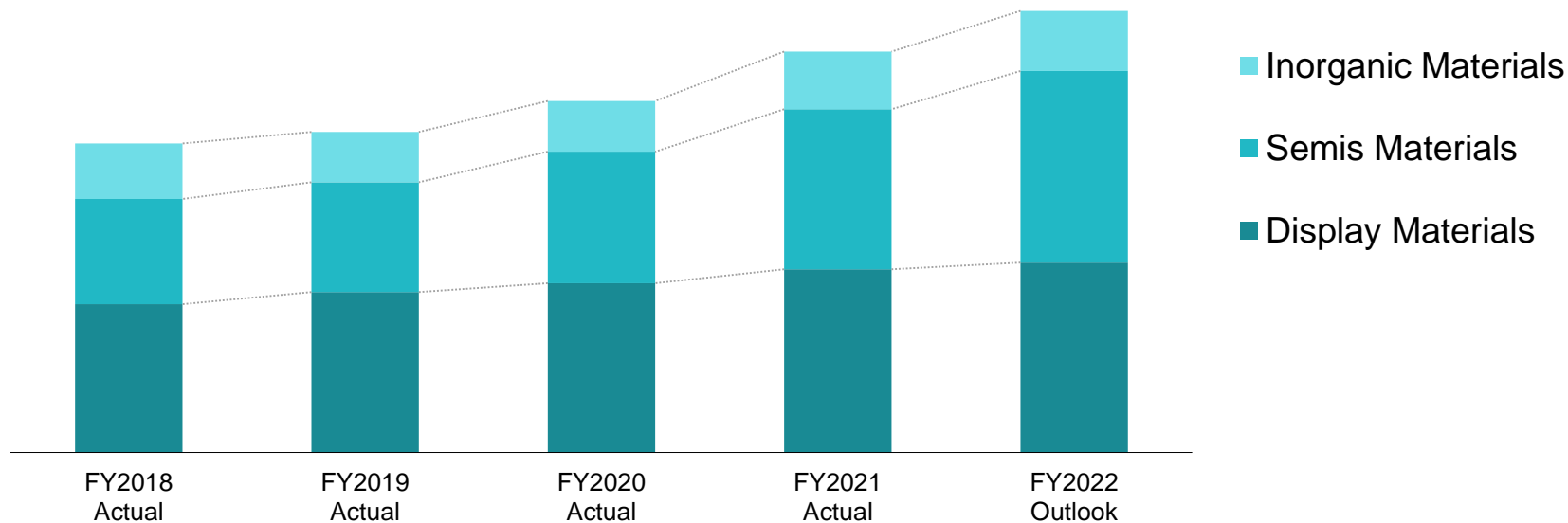
By shutdown of melamine, 26,000 GHG (t-CO₂) or equivalent to about 7% of FY2018 GHG (see p63) estimated to be reduced

FY2021 Actual by Segment (¥billion)



Performance Materials – Recent Financial Performance





Main Products

Display Materials		Semis Materials		Inorganic Materials	
SUNEVER	LCD alignment coating	ARC®	Bottom anti-reflective coating for semis	SNOWTEX	Silica sol for polishing materials (silicon wafer, compound semiconductors, semiconductors CMP and etc.) and non-polishing materials (special steel sheet and etc.)
		Multi layer process materials	Multi layer process materials for Semis (OptiStack®)	Organo/Monomer Sol	Film surface treatment for electronic devices, resin additive
		Other new materials	EUV materials, 3D packaging process materials, CMOS image sensor materials	Oilfield materials	For enhancing oil recovery

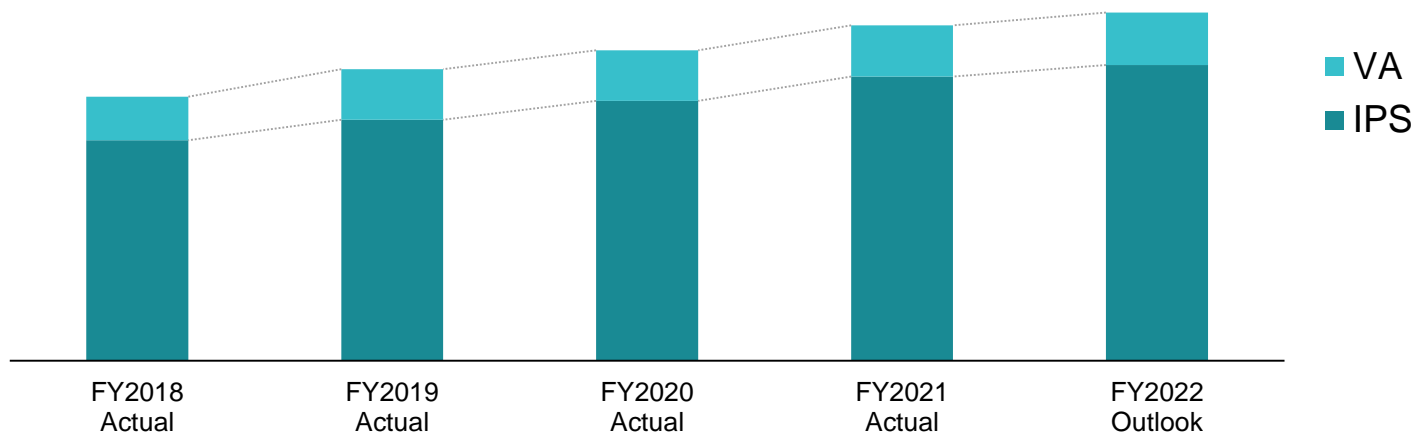
- DP Materials: 【2H FY2021】 Sales YOY +9%, Sales above target 【FY2022 Full-Year Outlook】 Sales YOY +4%
- Semis Materials: 【2H FY2021】 Sales YOY +23%, Sales in line with target 【FY2022 Full-Year Outlook】 Sales YOY +20%
- Inorganic Materials: 【2H FY2021】 Sales YOY +5%, Sales above target 【FY2022 Full-Year Outlook】 Sales YOY +4%

Main Products		FY2021 Actual					FY2022 Outlook			
		YOY Change					vs. Outlook as of Feb 2022 (undisclosed)	YOY Change		
		1H	3Q	4Q	2H	Total		1H	2H	Total
SUNEVER		+7%	+2%	+15%	+8%	+8%	Above	+4%	+3%	+4%
Total Display Materials		+7%	+2%	+16%	+9%	+8%	Above	+5%	+3%	+4%
	KrF (ARC®)	+22%	+25%	+17%	+21%	+22%	Above	+11%	+9%	+10%
	ArF (ARC®)	+21%	+20%	+25%	+22%	+22%	Below	+18%	+20%	+19%
Total ARC®		+22%	+22%	+25%	+23%	+22%	In line	+19%	+18%	+18%
Other Semis Materials ¹		+17%	+14%	+33%	+23%	+20%	Below	+17%	+29%	+23%
Total Semis Materials		+20%	+20%	+27%	+23%	+22%	In line	+19%	+21%	+20%
SNOWTEX		+19%	+10%	-4%	+3%	+10%	Below	+3%	+9%	+6%
Organo/Monomer Sol		+26%	+7%	+44%	+24%	+25%	Above	+3%	-3%	-1%
Oilfield Materials		+1,093%	-71%	+55%	-43%	0%	Above	+36%	-8%	+12%
Total Inorganic Materials		+23%	+6%	+4%	+5%	+13%	Above	+4%	+5%	+4%
Total Segment		+14%	+9%	+19%	+14%	+14%	Above	+10%	+10%	+10%

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

Sales increased in IPS mode.

In particular, sales of photo IPS (photo alignment materials for IPS LCDs) increased in IPS mode.



Main Applications

- VA (Vertical Alignment) TV
- IPS (In-Plane Switching) Smartphone, Tablet, PC, Monitor

Sales Growth Rate by Mode

	FY2021 Actual		FY2022 Outlook
	YOY Change	vs. Outlook As of Feb 2022 (undisclosed)	YOY Change
VA	Up(+0 ~ +9%)	Below	Up(+0 ~ +9%)
IPS	Up(+0 ~ +9%)	Above	Up(+0 ~ +9%)
Total SUNEVER (including TN²)	+8%	Above	+4%

2. TN (Twisted Nematic) main applications is PC, Monitor

【2H】 Sales up ¥5.1 billion, OP up ¥2.8 billion, Fixed cost up ¥0.6 billion in total

【Full-Year】 Sales up ¥10.1 billion, OP up ¥5.3 billion,

Fixed cost up ¥1.4 billion in total (including common expenses up ¥0.1 billion)

(¥billion)

	FY2020 Actual					FY2021 Actual					YOY Change		
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	4Q	2H	Total
Sales	34.6	19.2	17.8	37.0	71.6	39.6	20.9	21.2	42.1	81.7	+3.4	+5.1	+10.1
OP	10.7	6.3	5.4	11.7	22.4	13.2	7.6	6.9	14.5	27.7	+1.5	+2.8	+5.3

Display Materials

【2H】 Sales up, OP up

【Full-Year】 Sales up, OP up

Photo IPS 【2H】&【Full-Year】 Sales up
(non-smartphone up)

Rubbing IPS 【2H】&【Full-Year】 Sales down

VA 【2H】&【Full-Year】 Sales up

【2H】 Fixed cost down ¥0.1 billion

【Full-Year】 Fixed cost flat

Semis Materials

【2H】 Sales up, OP up 【Full-Year】 Sales up, OP up

ARC® 【2H】&【Full-Year】 Sales up

Other semis materials 【2H】&【Full-Year】 Sales up
(multi layer materials and other new materials¹ up)

【2H】 Semis market overall good performance, fixed cost up ¥0.5 billion
【Full-Year】 Semis market overall good performance,
fixed cost up ¥0.8 billion

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

Inorganic Materials

【2H】 Sales up, OP down 【Full-Year】 Sales up, OP down

SNOWTEX 【2H】&【Full-Year】 Sales up
(non-polishing and polishing up)

Organo/Monomer Sol 【2H】&【Full-Year】 Sales up

Oilfield materials 【2H】 Sales down 【Full-Year】 Flat

【2H】 Fixed cost up ¥0.2billion

【Full-Year】 Fixed cost up ¥0.5 billion

[4Q] Sales above target ¥0.4 billion, OP above target ¥0.4 billion

Fixed cost below expectations ¥0.2 billion in total (including common expenses below expectations ¥0.1 billion)

(¥billion)

	FY2021 Outlook as of Feb 2022			FY2021 Actual			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Sales	60.5	20.8	81.3	60.5	21.2	81.7	+0.4
OP	20.8	6.5	27.3	20.8	6.9	27.7	+0.4

[4Q] Sales above target, OP above target

Display
Materials

Photo IPS

Sales above target
(smartphone and non-smartphone up)

Rubbing IPS

Sales in line with target

VA

Sales below target

Fixed cost below expectations ¥0.1 billion

Semis
Materials

[4Q] Sales in line with target, OP below target

ARC®

Sales in line with target

Other semis
materials

Sales below target (multi layer materials below
and other new materials¹ in line with target)

Fixed cost above expectations ¥0.1 billion

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

Inorganic
Materials

[4Q] Sales above target, OP above target

SNOWTEX

Sales below target (non-polishing and
polishing down)

Organo/Monomer Sol

Sales above target

Oilfield materials

Sales above target

Fixed cost below expectations ¥0.1 billion

【Full-Year】 Sales up ¥8.2 billion, OP up ¥2.8 billion,
Fixed cost up ¥1.8 billion in total (including common expenses up ¥0.3 billion)

(¥billion)

	FY2021 Actual					FY2022 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	20.0	19.6	39.6	42.1	81.7	21.2	22.2	43.4	46.5	89.9	+1.2	+2.6	+3.8	+4.4	+8.2
OP	7.0	6.2	13.2	14.5	27.7	7.1	7.4	14.5	16.0	30.5	+0.1	+1.2	+1.3	+1.5	+2.8

【Full-Year】 Sales up, OP down

Display Materials

Photo IPS Sales up (non-smartphone up)

Rubbing IPS Sales flat

VA Sales up

Fixed cost up ¥0.5 billion

【Full-Year】 Sales up, OP up

Semis Materials

ARC® Sales up

Other semis materials Sales up (multi layer materials and other new materials¹ up)

Semis market overall good performance, fixed cost up ¥0.9 billion

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

Inorganic Materials

【Full-Year】 Sales up, OP up

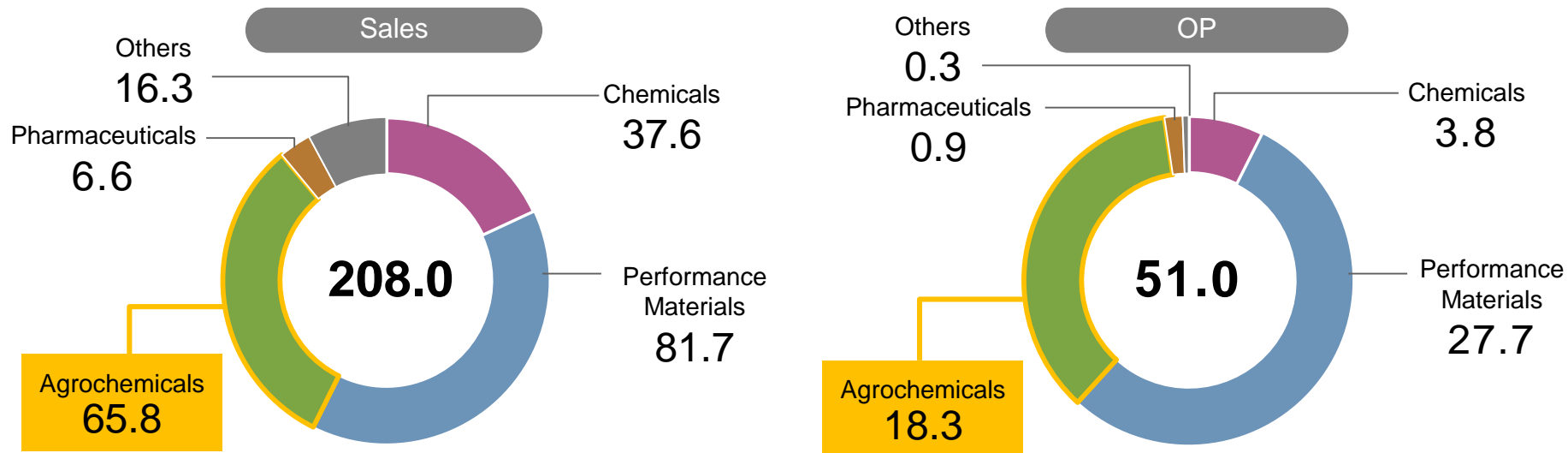
SNOWTEX Sales up (non-polishing and polishing up)

Organo/Monomer Sol Sales down

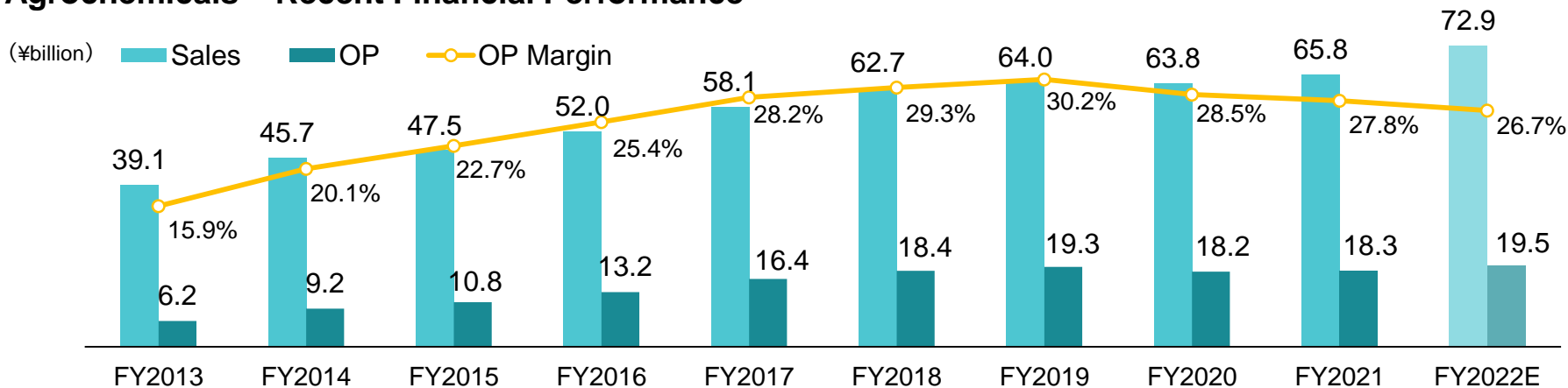
Oilfield materials Sales up

Fixed cost up ¥0.1 billion

FY2021 Actual by Segment (¥billion)



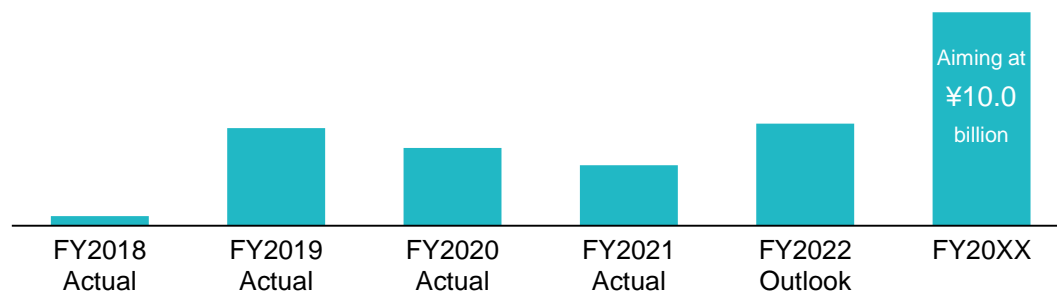
Agrochemicals – Recent Financial Performance



【2H FY2021】 Sales YOY +7%, Sales below target 【FY2022 Full-Year Outlook】 Sales YOY +11%

Main Products (in order of FY2021 Sales amount)	Types	FY2021 Actual				FY2022 Outlook		
		YOY Change			vs. Outlook as of Feb 2022 (undisclosed)	YOY Change		
		1H	2H	Total		1H	2H	Total
ROUNDUP ¹	Herbicide	+4%	+3%	+3%	Below	+11%	+5%	+8%
Fluralaner	Animal Health products	-9%	-6%	-8%	Below	+31%	+13%	+23%
ALTAIR	Herbicide	-28%	-3%	-9%	Below	+18%	+2%	+5%
TARGA	Herbicide	+20%	+46%	+34%	Above	-7%	-7%	-7%
DITHANE	Fungicide	-	+96%	+203%	Above	+19%	+3%	+9%
PERMIT	Herbicide	+31%	-9%	-3%	Above	+182%	-54%	-4%
LEIMAY	Fungicide	+13%	+12%	+12%	Above	+50%	+54%	+53%
GRACIA	Insecticide	-64%	+17%	-22%	Below	+204%	+30%	+69%
QUINTEC	Fungicide	+115%	+27%	+46%	Below	-56%	+5%	-14%
Total Segment²	-	-3%	+7%	+3%	Below	+23%	+3%	+11%

GRACIA Sales



Reference

- No.1 in the domestic agrochemicals sales ranking (Oct 2019- Sep 2020)

ROUNDUP Business Briefing

(January 22, 2020)

- ROUNDUP AL for general household accounting for 23% of FY2021 ROUNDUP sales
- Total segment sales YOY include discount

【2H】Sales up ¥2.7 billion, OP up ¥0.9 billion, Fixed cost up ¥0.6 billion, Inventory adjustment cost down ¥0.6 billion
 (sales up ¥0.8 billion, OP up ¥0.8 billion due to changes in accounting policies)

【Full-Year】Sales up ¥2.0 billion, OP up ¥0.1 billion, Fixed cost up ¥1.2 billion (including DITHANE amortization ¥0.2 billion),
 Inventory adjustment cost down ¥1.2 billion

(¥billion)

	FY2020 Actual					FY2021 Actual					YOY Change		
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	4Q	2H	Total
Sales	25.7	6.3	31.8	38.1	63.8	25.0	11.9	28.9	40.8	65.8	-2.9	+2.7	+2.0
OP	7.8	-1.3	11.7	10.4	18.2	7.0	3.1	8.2	11.3	18.3	-3.5	+0.9	+0.1

Main products	ROUNDUP(Herbicide)	【2H】 Sales up (ML: sales up due to implementation of price increase from December 2021) 【Full-Year】 Sales up (ML: sales up due to implementation of price increase from December 2021, AL: strong sales)
	Fluralaner(Animal health product)	【2H】&【Full-Year】 Sales down (API: Inventory adjustment, shipment shifted from FY2021 to FY2022, royalties: up)
	ALTAIR(Herbicide)	【2H】 Sales down (domestic: flat, export: down) 【Full-Year】 Sales down (domestic & export: down)
	TARGA(Herbicide)	【2H】&【Full-Year】 Sales up (launch of mixture product for India, strong demand in Brazil and Europe)
	DITHANE(Fungicide)	【2H】&【Full-Year】 Sales up (sales start from 4Q FY2020)
	PERMIT(Herbicide)	【2H】&【Full-Year】 Sales down
	LEIMAY(Fungicide)	【2H】&【Full-Year】 Sales up (export: up)
	GRACIA(Insecticide)	【2H】 Sales up (domestic: sales up due to decrease in distribution inventory and increase pest control needs, export: sales up due to launch in new countries) 【Full-Year】 Sales down (domestic & export: down)
	QUINTEC(Fungicide)	【2H】&【Full-Year】 Sales up (shipment shifted from 4Q FY2020 to 1Q FY2021)

1. FY2021 Actual : including effects of changes in accounting policies

(Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease) (see p72)

【4Q】 Sales below target ¥0.7 billion, OP below target ¥1.0 billion,
Inventory adjustment cost below expectations ¥0.2 billion

(¥billion)

	FY2021 Outlook as of Feb 2022			FY2021 Actual			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Sales	36.9	29.6	66.5	36.9	28.9	65.8	-0.7
OP	10.1	9.2	19.3	10.1	8.2	18.3	-1.0

Main products	ROUNDUP(Herbicide)	Sales below target (ML & AL: below target)
	Fluralaner(Animal health product)	Sales below target (API: below target due to shipment shifted from FY2021 to FY2022, royalties above target)
	ALTAIR(Herbicide)	Sales below target
	TARGA(Herbicide)	Sales above target (launch of mixture product for India, shipment shifted from 3Q to 4Q FY2021)
	DITHANE(Fungicide)	Sales above target
	PERMIT(Herbicide)	Sales above target
	LEIMAY(Fungicide)	Sales above target (shipment shifted from 3Q to 4Q FY2021)
	GRACIA(Insecticide)	Sales below target (domestic: above target due to decrease in distribution inventory, export: below target due to distribution inventory adjustment)
	QUINTEC(Fungicide)	Sales below target (shipment shifted from 4Q to 3Q FY2021)

1. FY2021 Actual & Outlook : including effects of changes in accounting policies

(Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease) (see p72)

【Full-Year】 Sales up ¥7.1 billion, OP up ¥1.2 billion, Fixed cost up ¥1.8 billion (including NBR cost up ¥0.4 billion), Inventory adjustment cost up ¥0.6 billion

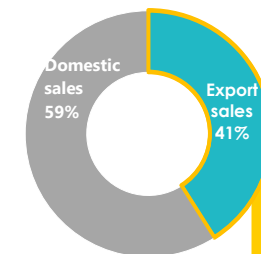
(¥billion)

	FY2021 Actual					FY2022 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	13.4	11.6	25.0	40.8	65.8	17.2	13.5	30.7	42.2	72.9	+3.8	+1.9	+5.7	+1.4	+7.1
OP	4.1	2.9	7.0	11.3	18.3	5.7	3.8	9.5	10.0	19.5	+1.6	+0.9	+2.5	-1.3	+1.2

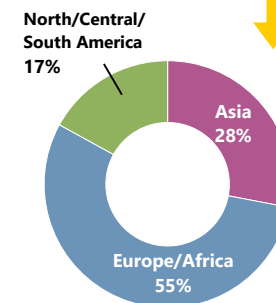
Main products	ROUNDUP(Herbicide)	Sales up (ML & AL: sales up due to higher prices and volume)
	Fluralaner(Animal health product)	Sales up (API: up due to shipment shifted from FY2021 to FY2022, end of inventory adjustment royalties: up)
	ALTAIR(Herbicide)	Sales up (domestic & export: sales up)
	TARGA(Herbicide)	Sales down
	DITHANE(Fungicide)	Sales up (domestic & export: sales up)
	PERMIT(Herbicide)	Sales down
	LEIMAY(Fungicide)	Sales up (export: sales up due to launch of mixture product in Europe)
	GRACIA(Insecticide)	Sales up (domestic: sales up due to end of distribution inventory adjustment, export: sales up due to sales expansion in India and sales recovery in Korea)
	QUINTEC(Fungicide)	Sales down

	Launch	Products	Application	Product development type	Notes
Existing products	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 AL II in FY2016 and AL III 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 ¹ in July as scheduled
	2014	BRAVECTO ²	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 Nissan Chemical
	2017	NEXTER	Fungicide	Licensed-in	Licensed from Syngenta
	2017	TRANSFORM™ / EXCEED™ / VIRESCO™	Insecticide	Licensed-in	Licensed from Dow
2017	EXZOLT ²	Veterinary medical product for poultry	-	Launched in EU in September for poultry red mites by MSD	
New products - Pipeline	2018	GRACIA	Insecticide	In-house	Effective against a wide range of serious pests, having less negative impact on honeybees. Launched in Korea in FY2018, in Japan in FY2019, and in India and Indonesia in FY2021 (expected peak sales ¥10.0 billion)
	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
	2024	NC-653(DIMESULFAZET)	Herbicide	In-house	Effective against resistant weeds, having excellent safety to rice (expected peak sales ¥3.5 billion)
	2025	NC-520	Insecticide	Joint development	Insecticide for paddy rice co-developed with other companies. Highly effective against planthoppers (expected peak sales ¥2.5 billion including mixture products)
	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)

Export ratio of agrochemicals business (FY2021 Actual)³



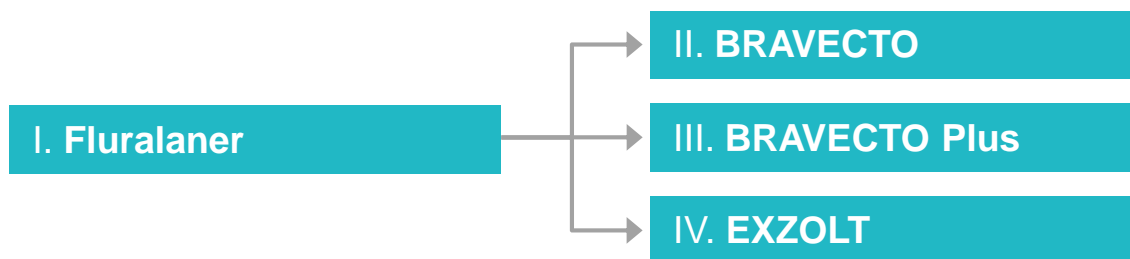
- Distribution by Region



Expected peak sales of new products
¥31.0 billion

1. MSD: MSD Animal Health, the global animal health business unit of Merck 2. BRAVECTO, EXZOLT: the product names developed by MSD, containing the active substance Fluralaner
3. Including Fluralaner

BRAVECTO series and EXZOLT, which contains the active pharmaceutical ingredient of Fluralaner invented by Nissan Chemical, are currently available in more than 100 countries.



I. Fluralaner

- Invented by Nissan Chemical and supplied to MSD¹ 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

II. BRAVECTO

- Developed and launched by MSD
- Veterinary medical products providing 12 weeks² 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 EU, 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 and EU, January 2021 Japan

III. BRAVECTO Plus

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

IV. EXZOLT

- A poultry medicine against red mite launched by MSD (administered via drinking water)
 - September 2017 EU, June 2018 Korea and Middle East etc., July 2021 Japan
- A cattle medicine
 - March 2022 approved in Brazil

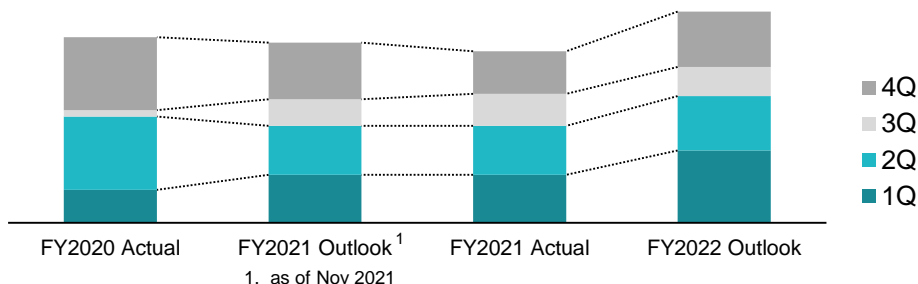
1. MSD: MSD Animal Health, the global animal health business unit of Merck 2. 8 weeks for *Rhipicephalus sanguineus* ticks

Nissan Chemical's Revenues are Consisted from Following Two Factors

- Sales of Fluralaner to MSD as API¹ of BRAVECTO and EXZOLT products
- Running royalties received from MSD

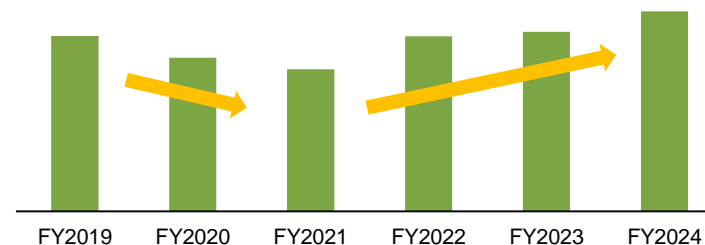
1. API: Active Pharmaceutical Ingredient

FY2019-FY2022 Fluralaner Quarterly Sales (including royalties)



Royalties revenue used to be recognized in 2Q and 4Q until FY2020. Due to changes in accounting policies, it has been recognized in each quarter since FY2021 (see p72).

FY2019-FY2024 Fluralaner Pro-forma Sales Image (including royalties)



- Inventory adjustments for Fluralaner were completed in FY2021.
- Plan a large sales increase in FY2022, due to the shipments shifted from FY2021 to FY2022. Assumed exchange rate is ¥115/\$.
- Assumed exchange rate for FY2023 and beyond: ¥110/\$.
- The new mid-term plan for FY2027 (see p60) includes the forecast of patent extensions and expirations by country (see p45) and does not include the sales increase associated with the launch of newly developed BRAVECTO series and EXZOLT.

BRAVECTO series and EXZOLT R&D

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

No change from FY2020 Presentation Materials announced in May 2021. Expand product portfolio through acquisition and introduction of new pesticides

QUINTEC (QUINOXYFEN)

- QUINTEC is Nissan Chemical's main product of fungicides containing QUINOXYFEN (active ingredient)
- Acquired the QUINOXYFEN product line of fungicides including QUINTEC brand from Corteva in November 2019
- Started to sell in December 2019
- Distributed as a fungicide for fruit trees and vegetables. Mainly sold in USA
- Protective fungicide highly effective in controlling powdery mildew in fruits (especially grapes) and vegetables

DITHANE (MANCOZEB)

- DITHANE is Nissan Chemical's main product of fungicides containing MANCOZEB (active ingredient)
- Acquired the MANCOZEB product line of fungicides in Japan and Korea including DITHANE brand from Corteva in December 2020
- 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. Excellent rain fastness

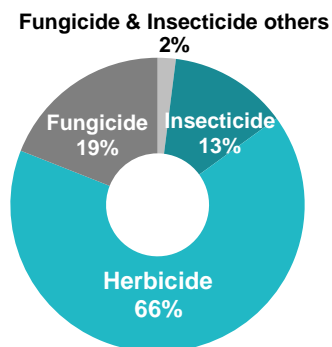
- Average amortized period fixed at 5 or 16 years(straight-line method)(weighted average 15.6 years) after the accounting audit. (tentatively calculated under the condition of 5-year amortization period before audit)

(¥billion)

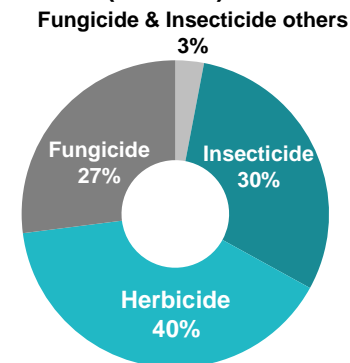
	OP	OP + Amortization
FY2020	0.3	0.4
FY2021	0.7	1.1
Total FY2022-26	3.6	5.3

Agrochemical Products Portfolio

Nissan Chemical Sales Distribution (FY2021)



Total Global Market Distribution (CY2020)



Establish an API production site to ensure a stable global supply and reduce manufacturing costs. NBR is added as a consolidated subsidiary from FY2022. Plant construction progresses largely on schedule despite Covid-19.

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 Nissan Chemical
Number of Operators	150-200 (assumptions as of 2022)
Plant Operating	2Q FY2022
Shareholders	Nissan Chemical 70%, Bharat Rasayan Ltd (BRL) 30%
Board of Directors	Nissan Chemical 5, BRL 2, Independent 1, Total 8

Bharat Rasayan Ltd (BRL)

Foundation	1989 (one of major Indian agrochemical companies)
Listing	National Stock Exchange of India(NSE), Bombay Stock Exchange (BSE)
Major Shareholders	Founders families including Sat Narain Gupta, Chairman 74.8%
2020 PL	Sales INR 10,920 million, Net Income after Taxes INR 1,639 million
Plant Location	2 plants: (A) Dahej, Gujarat (B) Rohtak, Haryana
Relationship with Nissan Chemical	BRL manufactures active ingredients and intermediates of Nissan Chemical's products. Bharat Insecticides Ltd (BIL), a related company of Bharat group, distributes certain Nissan Chemical's products(TARGA, PULSOR, PERMIT) in India

Funding Plan

Plant	6.0	Capital	2.3
Working capital and others	2.8	Borrowings provided by Nissan Chemical	6.5
Total required funds	8.8	Total funding plan	8.8

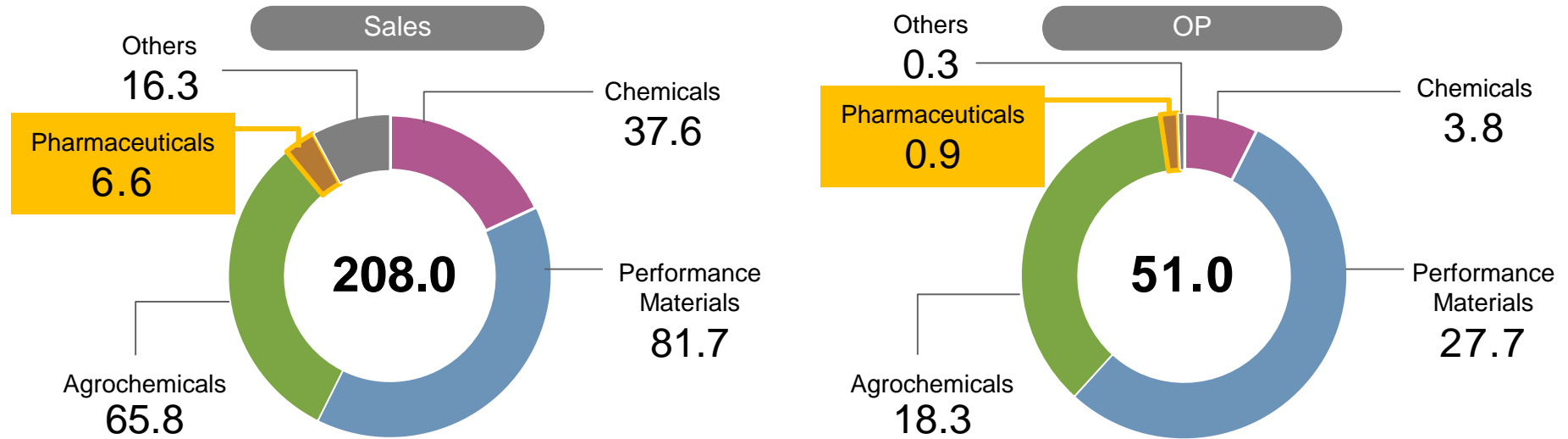
Expected Net Contribution to Nissan Chemical's Consolidated PL

FY	2021	2022	2023	2024	2025
OP	-	-0.4	1.0	2.4	2.9

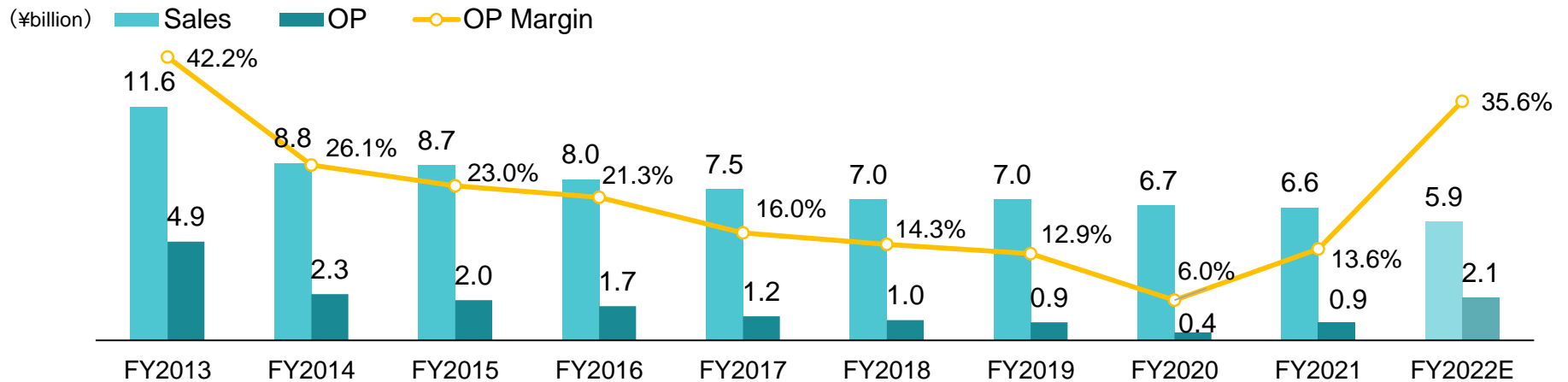
Advantages to Nissan Chemical

- 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

FY2021 Actual by Segment (¥billion)



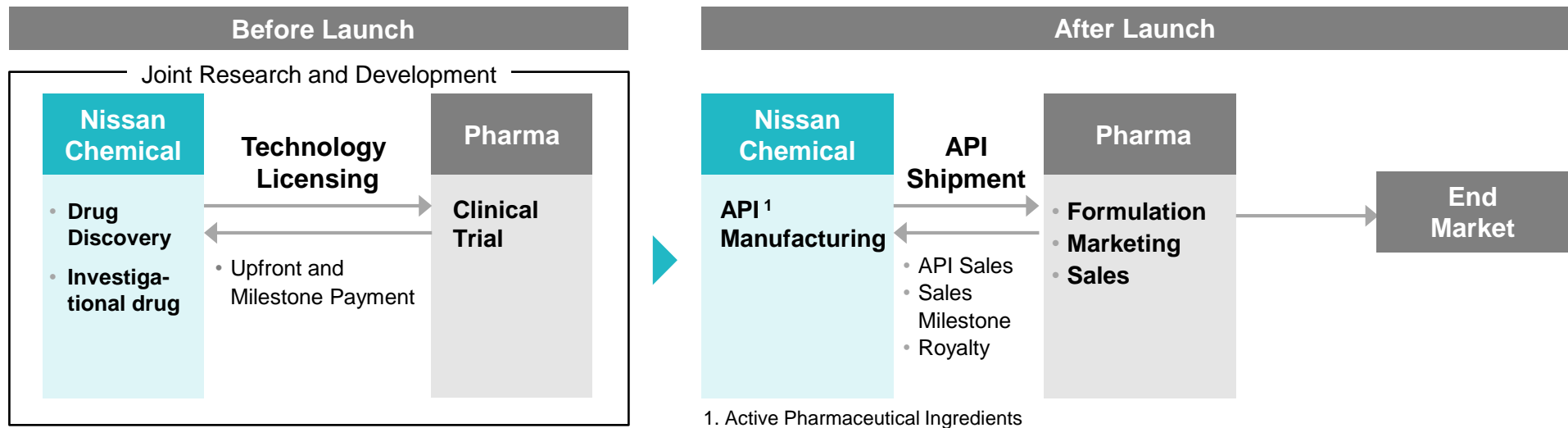
Healthcare – Recent Financial Performance¹



1. Organizational change was implemented in April, 2022. FY2013-2021 Actual figures are based on old segmentation (see p21, p52)

Unique ethical pharma business model without sales force

Business Model (Drug Discovery)



LIVALO Anti-hyperlipidemia drug launched by Kowa in 2003. Currently sold in 30 countries around the world.

(¥billion)

Sales	FY2013 Actual ¹	FY2020 Actual ²	FY2021 Actual	FY2022 Outlook	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
Domestic End Market Sales(NHI drug price basis)	52.6	12.0	10.5	-	-	-
Our Domestic and Export API Sales	10.2	2.8	2.3	2.1	1.1	0.8
API Sales YoY Change	-2%	-30%	-17%	-10%	(vs. FY2021) -54%	(vs. FY2021) -64%
Domestic YoY Change	-2%	+6%	+30%	-5%	(vs. FY2021) -52%	(vs. FY2021) -65%
Export YoY Change	-1%	-35%	-28%	-12%	(vs. FY2021) -55%	(vs. FY2021) -63%

1. August 2013, domestic compound patent expired 2. August 2020, market exclusivity expired in EU

- Custom manufacturing and solution proposal business for new drug pharmaceutical ingredients and intermediates from pre-clinical to commercial production stages
- In addition, focusing on obtaining new contracts mainly for high potent and high-valued added GE API products

High-valued added GE API products

Launch	API	Indication
2016	Maxacalcitol	Psoriasis vulgaris / Secondary hyperparathyroidism
2017	Eldecalcitol	Osteoporosis

Custom Chemicals Sales Growth

Sales (FY2013-2027)

(¥billion)

FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Outlook	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
1.2	1.8	2.3	2.4	2.5	2.6	2.9	3.8	4.2	3.8	5.7	8.5

Sales YOY Change (FY2021-2027)

FY2021 Outlook ¹			FY2021 Actual			FY2022 Outlook			FY2024 Mid-Term Plan (vs. FY2021)	FY2027 Mid-Term Plan (vs. FY2021)
1H Actual	2H	Total	1H	2H	Total	1H	2H	Total		
+29%	-12%	+4%	+29%	-2%	+11%	-6%	-12%	-9%	+36%	+104%

1. Outlook as of November 2021

Narrowing down business areas and future focus areas

Focus areas		Our initiatives
Healthcare (HC)	Oligonucleotide Therapeutics	<ul style="list-style-type: none"> Application of our unique oligonucleotide therapeutics technology, 80% of resources invested Steady promotion of Joint research and development with pharmaceutical companies and strategic alliance with Luxana Biotech Co. (Secured 7 nucleic acid target themes)
	Small Molecule Therapeutics	Collaboration with drug discovery ventures (narrowed down from 10 to 3 themes), introduction of AI
	Medical Materials	Biointerface control materials, cosmetic materials, etc.
Custom Chemicals (CC)		In addition to strengthening the existing business model, joint development is also oriented (peptides, etc.)

Resource allocation

(person, round number)

	FY2021 Actual	FY2022 Outlook	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
Researchers	75	15	20	20
HC	65	5	5	5
CC	10	10	15	15
Reference Researchers in Healthcare Business Development Dept. Planning & Development Division	35	90	85	90

(¥billion)

	FY2021 Actual	FY2022 Outlook	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
R&D expenses	2.13	0.74	1.03	1.12
HC	1.80	0.31	0.52	0.53
CC	0.33	0.43	0.51	0.59
Reference Impact of transfer to Planning & Development Division (B)	-	1.45	1.26	1.27

Quantitative Plan

(¥billion)

			FY2021 Actual	FY2022 Outlook	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
Sales			6.63	5.94	7.23	11.48
HC	Existing		2.42	2.13	1.13	0.90
	New		0.04	0.00	0.44	2.08
CC	Existing		4.17	3.81	5.06	5.79
	New		0.00	0.00	0.60	2.71
OP (A)			0.95	2.09	2.15	4.29
HC			-1.07	0.53	-0.70	-0.10
CC			2.02	1.56	2.85	4.38
Reference	Substantial OP before transfer (A)-(B)		0.95	0.64	0.89	3.02

【2H】 Sales down ¥0.34 billion, OP up ¥0.17 billion

【Full-Year】 Sales down ¥0.02 billion, OP up ¥0.59 billion

(¥billion)

	FY2020 Actual					FY2021 Actual					YOY Change		
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	4Q	2H	Total
Sales	3.02	1.40	2.23	3.63	6.65	3.34	1.92	1.37	3.29	6.63	-0.86	-0.34	-0.02
Drug Discovery	1.53	0.58	0.77	1.35	2.88	1.41	0.48	0.57	1.05	2.46	-0.20	-0.30	-0.42
Custom Chemicals	1.49	0.82	1.46	2.28	3.77	1.93	1.44	0.80	2.24	4.17	-0.66	-0.04	+0.40
OP	0.03	-0.04	0.37	0.33	0.36	0.45	0.44	0.06	0.50	0.95	-0.31	+0.17	+0.59
Drug Discovery	-0.36	-0.36	-0.21	-0.57	-0.93	-0.44	-0.34	-0.29	-0.63	-1.07	-0.08	-0.06	-0.14
Custom Chemicals	0.39	0.32	0.58	0.90	1.29	0.89	-0.78	0.35	1.13	2.02	-0.23	+0.23	+0.73

1. Figures in p22, p23, p24, p81, p82, p83 may not match the numbers on this page due to rounding.

【2H】 Sales down, OP down

【Full-Year】 Sales down, OP down

LIVALO

【2H】 Sales down (domestic and export down)
【Full-Year】 Sales down (domestic up, export down)

【2H】 Inventory adjustment cost down ¥0.1 billion

Drug
Discovery

【2H】 Sales down, OP up

【Full-Year】 Sales up, OP up

Custom
Chemicals

【2H】 Sales down (shipment shifted to 1H FY2021)
【Full-Year】 Sales up (strong sales of generic APIs)

【2H】 Inventory valuation gain ¥0.1 billion,
Inventory adjustment cost down ¥0.2 billion

【Full-Year】 Inventory valuation gain ¥0.2 billion,
Inventory adjustment cost down ¥0.2 billion

Custom
Chemicals

【4Q】 Sales above target ¥0.25 billion, OP above target ¥0.31 billion

(¥billion)

	FY2021 Outlook as of Feb 2022			FY2021 Actual			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q
Sales	5.26	1.12	6.38	5.26	1.37	6.63	+0.25
Drug Discovery	1.89	0.38	2.27	1.89	0.57	2.46	+0.19
Custom Chemicals	3.37	0.74	4.11	3.37	0.80	4.17	+0.06
OP	0.89	-0.25	0.64	0.89	0.06	0.95	+0.31
Drug Discovery	-0.78	-0.46	-1.24	-0.78	-0.29	-1.07	+0.17
Custom Chemicals	1.67	0.21	1.88	1.67	0.35	2.02	+0.14

1. Figures in p22, p23, p24, p81, p82, p83 may not match the numbers on this page due to rounding.

Drug
Discovery

【4Q】 Sales above target, OP above target

LIVALO

Sales above target
(domestic above target, export in line with target)

Custom
Chemicals

【4Q】 Sales above target, OP above target

Custom
Chemicals

Generic APIs above target

【Full-Year】 Sales down ¥0.69 billion, OP up ¥1.14 billion

(¥billion)

	FY2021 Actual					FY2022 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	1.07	2.27	3.34	3.29	6.63	1.59	1.42	3.01	2.93	5.94	+0.52	-0.85	-0.33	-0.36	-0.69
Healthcare	0.63	0.78	1.41	1.05	2.46	0.79	0.39	1.18	0.95	2.13	+0.16	-0.39	-0.23	-0.10	-0.33
Custom Chemicals	0.44	1.49	1.93	2.24	4.17	0.80	1.03	1.83	1.98	3.81	+0.36	-0.46	-0.10	-0.26	-0.36
OP	-0.19	0.64	0.45	0.50	0.95	0.62	0.46	1.08	1.01	2.09	+0.81	-0.18	0.63	+0.51	+1.14
Healthcare	-0.29	-0.15	-0.44	-0.63	-1.07	0.33	0.06	0.39	0.14	0.53	+0.62	+0.21	0.83	+0.77	+1.60
Custom Chemicals	0.10	0.79	0.89	1.13	2.02	0.29	0.40	0.69	0.87	1.56	+0.19	-0.39	-0.20	-0.26	-0.46

1. Figures in p22, p23, p24, p81, p82, p83 may not match the numbers on this page due to rounding.

【Full-Year】 Sales down, OP up

Healthcare

LIVALO

Sales down (domestic and export down)

Fixed cost down ¥1.8 billion
(including effects of organizational change)

【Full-Year】 Sales down, OP down

Custom
Chemicals

Custom
Chemicals

Generic APIs sales down

Fixed cost up ¥0.2 billion

OP impact of organizational change (R&D expenses)¹ (¥billion)

	FY2022 Outlook				
	1Q	2Q	1H	2H	Total
Healthcare	+0.34	+0.38	+0.72	+0.78	+1.50
Custom Chemicals	-0.01	-0.01	-0.02	-0.03	-0.05
Total	+0.33	+0.37	+0.70	+0.75	+1.45

1. Positive figures mean increased profit

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**Review of Vista2021 Stage II ,
New Mid-Term Plan Vista2027**

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Appendix

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

Despite COVID-19, achieved the financial targets (indicated in Mid-Term Plan Vista2021) in FY2021.

PL¹

(¥billion)

	FY2018 Actual	FY2021 Actual	FY2021 previous Mid-Term Plan announced in May 2019	vs. previous Mid-Term Plan
		(A)	(B)	(A)-(B)
Sales	204.9	208.0	235.0	-27.0
Operating Profit	37.1	51.0	43.0	+8.0
Ordinary Income	39.1	53.7	44.0	+9.7
Net Income	29.4	38.8	33.0	+5.8
EPS (¥/share)	197.67	271.88	230.00	+41.88
Dividend (¥/share)	82	122	-	-
FX Rate (¥/\$)	111	112	110	-
Naphtha (¥/kl)	49,700	-	43,000	-
Crude Oil (JCC) (\$/bbl)	-	77	64	-

(Financial Targets)

OP Margin	18.1%	24.5%	Above 18%	Achieved
ROE	16.6%	19.2%	Above 16%	Achieved
Dividend Payout Ratio	41.5%	44.9%	45%	Achieved
Total Payout Ratio	71.8%	75.6%	75%	Achieved

Segment^{1,2}

(¥billion)

		FY2018 Actual	FY2021 Actual	FY2021 previous Mid-Term Plan announced in May 2019	vs. previous Mid-Term Plan
			(A)	(B)	(A)-(B)
Chemicals	Sales	35.7	37.6	43.1	-5.5
	OP	3.0	3.8	5.1	-1.3
Performance Materials	Sales	63.0	81.7	75.1	+6.6
	OP	15.0	27.7	17.3	+10.4
Agro-chemicals	Sales	62.7	65.8	70.1	-4.3
	OP	18.4	18.3	21.1	-2.8
Pharmaceuticals	Sales	7.0	6.6	7.5	-0.9
	OP	1.0	0.9	0.7	+0.2
Trading, Others, Adjustment	Sales	36.5	16.3	39.2	-22.9
	OP	-0.3	0.3	-1.2	+1.5
Total	Sales	204.9	208.0	235.0	-27.0
	OP	37.1	51.0	43.0	+8.0

1. FY2021 Actual: Sales include ¥22.9 billion decrease due to changes in accounting policies. This impact is included in "Trading, Others, Adjustment" segment (see p72)

2. Including inter-segment sales/transfers

3. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

4. Sales and OP for Planning and Development Division in FY2021 actual are disclosed in Mid-tern plan materials p33 (announced on May 13, 2022)

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

Cash Flows

(¥billion)

	Total FY2019-2021	Total FY2019-2021 (round number)	vs. previous Mid-Term Plan
	Actual (A)	Previous Mid-Term Plan (B)	(A) - (B)
CF from operating activities	117.3	115.0	+2.3
CF from investing activities	-40.8	-45.0	+4.2
Free cash flow	76.5	70.0	+6.5
CF from financing activities	-78.6	-75.0	-3.6
Total payout to shareholders (dividend & share repurchase)	-73.5	-70.0	-3.5
Repayment of borrowings	-4.2	-5.0	+0.8

(¥billion)

	2022/3 Actual (A)	2022/3 Previous Mid-Term Plan (B)	vs. previous Mid-Term Plan (A) - (B)
Cash at end of fiscal year	34.7	30.0	+4.7
Liabilities with interest at end of fiscal year	22.7	21.0	+1.7

Management Resources Distribution

(¥billion)

	R&D expenses			Capex			Depreciation		
	Total FY2019-2021	Total FY2019-2021	Change	Total FY2019-2021	Total FY2019-2021	Change	Total FY2019-2021	Total FY2019-2021	Change
	Actual (A)	Previous Mid-Term Plan (B)	(A) - (B)	Actual (A)	Previous Mid-Term Plan (B)	(A) - (B)	Actual (A)	Previous Mid-Term Plan (B)	(A) - (B)
Chemicals	1.0	1.4	-0.4	10.3	14.7	-4.4	6.6	9.4	-2.8
Performance Materials	21.7	26.7	-5.0	12.2	17.8	-5.6	13.6	17.0	-3.4
Agrochemicals	13.2	14.8	-1.6	15.8	8.2	+7.6	7.6	5.5	+2.1
Pharmaceuticals	7.0	7.1	-0.1	1.8	1.7	+0.1	1.6	1.8	-0.2
Others ¹	6.8	8.0	-1.2	2.4	2.3	+0.1	1.7	3.1	-1.4
Total	49.7	58.0	-8.3	42.5	44.7	-2.2	31.1	36.8	-5.7

(person)

Researchers ²		
FY2021	FY2021	Change
Actual (A)	Previous Mid-Term Plan (B)	(A) - (B)
5	10	-5
200	210	-10
90	95	-5
75	90	-15
100	75	+25
470	480	-10

1. Others include Planning and Development Division, Trading, Others, Adjustment 2. Parent company only, round number

FY2021 Actual vs. FY2021 Mid-Term Plan (announced in May 2019)

(¥billion)

		FY2021 Actual (A)	FY2021 Mid-Term Plan (B)	(A) – (B)	Difference factors	
Chemicals	Sales	37.6	43.1	-5.5	Fine Chemicals	below target [Above target] TEPIC (general applications) [Below target] TEPIC (electronic materials), environmental related products, FINEOXOCOL
	OP	3.8	5.1	-1.3	Basic Chemicals	below target [Above target] Urea/AdBlue® [Below target] melamine (domestic, export), High purity sulfuric acid, Nitric acid products
					Fine Chemicals OP below target, Basic Chemicals OP above target	
					[Positive factors] fixed cost below expectations	
					[Negative factors] Total Sales below target, feedstock and raw materials cost up, shipping cost up	
Performance Materials	Sales	81.7	75.1	+6.6	DP	above target [Above target] photo IPS [Below target] rubbing IPS, VA, TN, other display materials
	OP	27.7	17.3	+10.4	Semis	above target [Above target] KrF, ArF, multi layer process materials, EUV materials [Below target] 3D packaging process materials, CMOS image sensor materials
					Inorganic	below target [Above target] SNOWTEX (non-polishing, polishing) [Below target] Organo/Monomer sol, Oilfield materials
					DP OP above target, Semis OP above target, Inorganic OP below target	
					[Positive factors] Total Sales above target, fixed cost below expectations (DP, Semis, Inorganic)	
Agro-chemicals	Sales	65.8	70.1	-4.3		[Above target] DITHANE, QUINTEC, TARGA, PERMIT [Below target] Fluralaner, GRACIA, ROUNDUP (ML: in line with target, AL: below), LEIMAY, ALTAIR
	OP	18.3	21.1	-2.8	[Negative factors] Sales below target, fixed cost above expectations	
Pharmaceuticals	Sales	6.6	7.5	-0.9	Drug Discovery	above target [Above target] LIVALO (domestic) [Below target] LIVALO (export), up-front and milestone payments
	OP	0.9	0.7	+0.2	Custom Chemicals	below target [Below target] GE API products, peptide CMO
					Drug Discovery OP above target, Custom Chemicals OP below target	
					[Positive factors] fixed cost below expectations [Negative factors] Sales below target	
Trading, Others, Adjustment	Sales	16.3	39.2	-22.9	Trading	above target +3.9
	OP	0.3	-1.2	+1.5	Other domestic subsidiaries	below target -1.3
					Adjustment	-25.5 (including ¥22.8 billion decrease due to changes in accounting policies*) *see p72 A
Total	Sales	208.0	235.0	-27.0	Trading	above target +0.6
	OP	51.0	43.0	+8.0	Other domestic subsidiaries	below target -0.1
					Adjustment	above target +1.0

Mid-Term Plan Vista2027 (FY2022-2027) announced in May 2022 - (A)

- New mid-term plan targets an OP margin of above 20% and ROE of above 18%.
- Continue to emphasize aggressive shareholder returns. Increase dividend payout ratio target to 55% from 45%

PL

(¥billion)

	FY2021	FY2022	FY2024	FY2027
	Actual	Outlook	Mid-Term Plan announced in May 2022	Mid-Term Plan announced in May 2022
Sales	208.0	219.0	255.0	285.0
Operating Profit	51.0	53.5	58.5	67.0
Ordinary Income	53.7	54.1	59.5	68.0
Net Income	38.8	39.6	44.0	50.0
EPS (¥/share)	271.88	280.90	317.64	371.67
Dividend (¥/share)	122	154	-	-
FX Rate (¥/\$)	112	115	110	110
Crude Oil (JCC) (\$/bbl)	77	88	88	88

(Financial Targets)

OP Margin	24.5%	24.4%	Above 20%
ROE	19.2%	18.7%	Above 18%
Dividend Payout Ratio	44.9%	54.8%	55%
Total Payout Ratio	75.6%	67.4%	75%

Segment¹

(¥billion)

		FY2021	FY2022	FY2024	FY2027
		Actual	Outlook	Mid-Term Plan announced in May 2022	Mid-Term Plan announced in May 2022
Chemicals	Sales	37.6	38.6	37.6	40.1
	OP	3.8	2.2	3.5	3.9
Performance Materials	Sales	81.7	89.9	102.9	117.2
	OP	27.7	30.5	32.1	38.0
Agrochemicals	Sales	65.8	72.9	77.8	82.3
	OP	18.3	19.5	21.7	21.0
Healthcare ²	Sales	6.6	5.9	7.2	11.5
	OP	0.9	2.1	2.1	4.3
Trading, Others, Adjustment	Sales	16.3	11.7	29.5	33.9
	OP	0.3	-0.8	-0.9	-0.2
Total	Sales	208.0	219.0	255.0	285.0
	OP	51.0	53.5	58.5	67.0

1. Including inter-segment sales/transfers 2. Organizational change was implemented in April, 2022. FY2021 Actual figures are based on old segmentation (see p21, p52)

3. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

4. Sales and OP for Planning and Development Division in FY2021 actual, FY2022, 2024, 2027 outlook are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

Mid-Term Plan Vista2027 (FY2022-2027) announced in May 2022 - (B)

Cash Flows

(¥billion)

	Total FY2019-2021	Total FY2022-2024 (round number)
	Actual	Mid-Term Plan announced in May 2022
CF from operating activities	117.3	140.0
CF from investing activities	-40.8	-55.0
Free cash flow	76.5	85.0
CF from financing activities	-78.6	-90.0
Total payout to shareholders (dividend & share repurchase)	-73.5	-90.0
Repayment of borrowings	-4.2	0.0

(¥billion)

	2022/3	2025/3 (round number)
	Actual	Mid-Term Plan announced in May 2022
Cash at end of fiscal year	34.7	30.0
Liabilities with interest at end of fiscal year	22.7	23.0

Management Resources Distribution

(¥billion)

	R&D expenses		Capex		Depreciation		Researchers ³	
	Total FY2019-2021	Total FY2022-2024	Total FY2019-2021	Total FY2022-2024	Total FY2019-2021	Total FY2022-2024	FY2021	FY2024
	Actual	Mid-Term Plan announced in May 2022	Actual	Mid-Term Plan announced in May 2022	Actual	Mid-Term Plan announced in May 2022	Actual	Mid-Term Plan announced in May 2022
Chemicals	1.0	0.8	10.3	9.6	6.6	7.5	5	5
Performance Materials	21.7	25.0	12.2	27.9	13.6	19.2	200	210
Agrochemicals	13.2	14.5	15.8	12.4	7.6	10.0	90	105
Healthcare ¹	7.0	2.6	1.8	1.2	1.6	1.2	75	20
Others ²	6.8	12.1	2.4	4.2	1.7	2.4	100	150
Total	49.7	55.0	42.5	55.3	31.1	40.3	470	490

(person)

1. Organizational change was implemented in April, 2022. FY2019-2021 Actual figures are based on old segmentation (see p21, p52)

2. Others include Planning and Development Division, Trading, Others, Adjustment 3. Parent company only, round number

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E (Environment)	April 2021	Announced its Diversity Statement and Diversity Vision
	November 2021	Published “Integrated Report 2021”
	May 2022	Decided to work on realization of carbon neutrality by 2050 Established new long-term target for reducing greenhouse gas (GHG) emissions(see p69)
S (Social)	June 2022 (plan)	Plan to reduce GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)
	April 2019	Established Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors
	June 2019	Introduced a performance-linked stock compensation plan called a Board Benefit Trust for Board of Directors, etc.
G (Governance)	June 2021	One female Outside Director added, as a result, the Board of Directors includes 4 Outside Directors out of 10
	December 2021	Updated and disclosed “Corporate Governance Report” including skills matrix for the board
	May 2022 (to be resolved)	Announced incorporating ESG indicators into the officers’ remuneration system (70% base remuneration, 25% performance-related remuneration, 5% remuneration in stock. Out of the 25% performance-related remuneration, 90% is profit-linked and 10% is ESG-linked.)

ESG Index and Third-party Recognition

Dow Jones Sustainability Asia Pacific Index

- November 2021
Selected as a constituent
for 4 consecutive years

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

FTSE

- July 2021: Selected as a constituent of FTSE4Good Index Series, FTSE Blossom Japan Index for 2 consecutive years
- April 2022: Selected as a constituent of FTSE Blossom Japan Sector Relative

1. FTSE Russell confirms that Nissan Chemical has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



CDP

- December 2021
Listed on Water Security “A List” for 3 consecutive years and Climate Change “A- List” for 3 consecutive years



Certified Health & Productivity Management Organization (White 500)

- March 2022
Acquired for 6 consecutive years



S&P/JPX Carbon Efficient Index

- March 2022
Selected as a constituent
for 4 consecutive years



MSCI Japan Empowering Women (WIN) Select Index

- December 2021
Selected as a constituent

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

2. THE INCLUSION OF NISSAN CHEMICAL CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NISSAN CHEMICAL CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Task Force on Climate-related Financial Disclosures (TCFD)

- August 2020
Announced its support for
recommendations



Corporate Value Improvement Award hosted by TSE

- January 2020
Selected as one of the 50 candidates among all listed companies by the Tokyo Stock Exchange for 2 consecutive years

Specified materiality that we should engage to realize corporate image of 2027.
Aim to have sustainable growth with society by promoting initiatives.

▶▶▶1

Provision of New Value for Helping to Enrich People's Lives

▶ Nissan Chemical Sustainable Agenda

Rate of total sales of products and services that contribute to solving social issues in consolidated net sales

Maintain at least 55%

▶▶▶2

Strengthening of Nissan Chemical's Business Base

▶ Personnel retention and trainings

Positive response rate in survey of employee attitude

At least 65%

▶ Promote Diversity

Proportion of female researchers

At least 18%

▶▶▶3

Continuous Improvement of Responsible Care Activities

▶ GHG Emission Target

Reduced by **at least 30%** compared to FY2018

Our Materiality

Corporate Governance

Risk Management

Compliance Enhancement

Provision of New Value for Helping to Enrich People's Lives

Provide products and services that contribute to solving social issues through four businesses, with the refining and fostering of core technologies

Materiality Factor	Major Initiatives
Supply of environmental-friendly products and services	<ul style="list-style-type: none"> ■ Develop materials that contribute to the expansion of renewable energy ■ Develop materials that contribute to the achievement of a circular economy ■ Reduce the application amount of agrochemicals ■ Introduce recyclable packaging materials ■ Supply exhaust gas removal materials ■ Supply disinfectants for water purification tanks ■ Supply materials that enable reduction of oil and fat waste
Contribution to smart society	<ul style="list-style-type: none"> ■ Supply materials that contribute to higher capacity/speed of data communication and sensing
Contribution to food issues	<ul style="list-style-type: none"> ■ Supply agrochemicals to increase crop yields and conserve agricultural labor in food production ■ Contribution to the maintenance of health of livestock
Contribution to improvement of the quality of life	<ul style="list-style-type: none"> ■ Supply disinfectants for drinking water ■ Contribute to maintaining the health of companion animals
Contribution to health issues	<ul style="list-style-type: none"> ■ Supply generic drugs ■ Offer contracted manufacturing and service for pharmaceuticals ■ Develop materials for regenerative medicine market ■ Develop drugs for intractable diseases

Provision of New Value for Helping to Enrich People's Lives

Provide products and services that contribute to solving social issues through four businesses, with the refining and fostering of core technologies

Materiality Factor	Major Products and Services	Target for FY2027 (Compared to FY2021)
Supply of environmental-friendly products and services	<ul style="list-style-type: none"> ■ Secondary battery materials ■ Photoelectric conversion materials ■ CCU and CCUS materials ■ ECOPROMOTE ■ ROUND NOZZLE ULV5 ■ GREENDITHANE ■ AdBlue® ■ HI-LITE ■ Venus Oilclean 	Net Sales + 10%
Contribution to smart society	<ul style="list-style-type: none"> ■ Display materials ■ Semiconductor materials ■ Sensor materials ■ Optical interconnect materials 	Net Sales + 55%
Contribution to food issues	<ul style="list-style-type: none"> ■ Agrochemicals ■ Fluralaner (for livestock) 	Net Sales + 15%
Contribution to improvement of the quality of life	<ul style="list-style-type: none"> ■ HI-LITE (for drinking water) ■ Fluralaner (for companion animals) 	Net Sales + 15%
Contribution to health issues	<ul style="list-style-type: none"> ■ Maxacalcitol and other generic drugs ■ Contracted manufacturing and service for pharmaceuticals ■ Oigonucleotide therapeutics ■ FCeM series ■ Prevelex series 	Net Sales + 5%
Rate of total sales of products and services that contribute to solving social issues in consolidated net sales	Nissan Chemical Sustainable Agenda	Maintain at least 55%

Strengthen our business foundation, including the enhancement of human capital, in order to enhance our response capability to increasingly diverse and sophisticated demands from the market

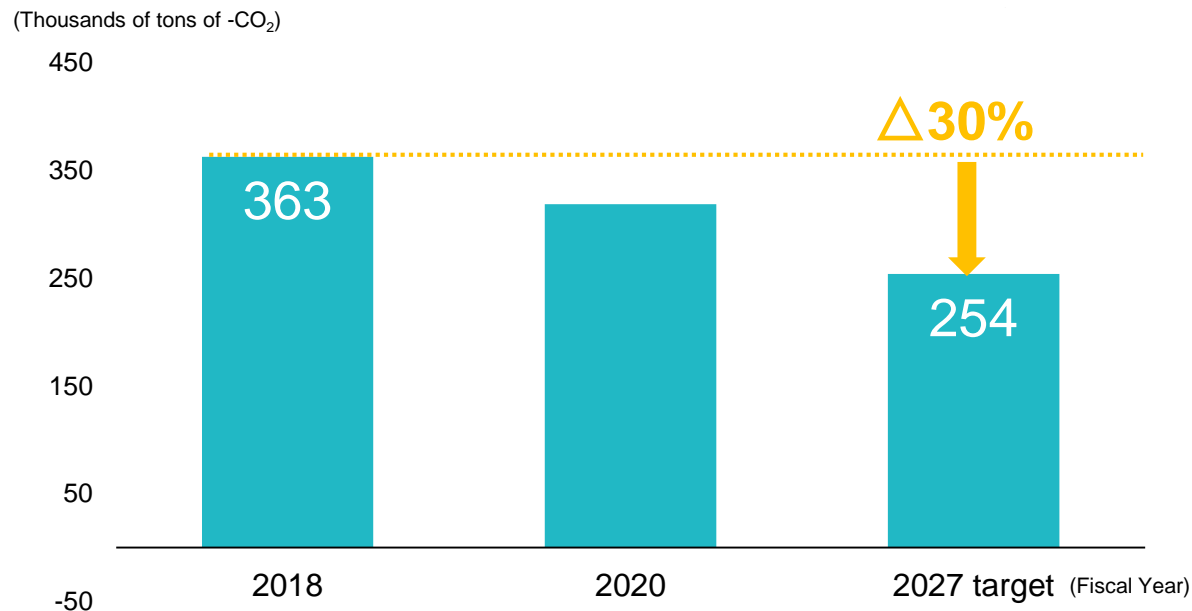
Materiality Factor	Major Initiatives	Target for FY2027
Enhancement of R&D capability	<ul style="list-style-type: none"> Accelerate R&D through the use of AI Expand core technologies Use open innovation further 	Total number of patent applications (FY2022 to 2027): 2,500
Improvement of product quality	<ul style="list-style-type: none"> Prevent serious complaints Prevent quality fraud and data tampering 	<ul style="list-style-type: none"> Number of serious complaints: Zero Attendance rate of quality training: At least 90%
Maintenance and improvement of employees' health	<ul style="list-style-type: none"> Promote measures against lifestyle-related diseases Implement mental health measures Conduct awareness activities for employees on maintaining their health Promote female's health 	Rate of employees within appropriate weight*: At least 70% *BMI (body mass index): 18.5 to 25.0
Creation of a comfortable workplace	<ul style="list-style-type: none"> Promote work-life balance Implement measures against harassment Provide support for childcare and nursing care, encourage male employees to take parental leaves 	Utilization rate for annual paid leaves: At least 80%
Personnel retention and trainings	<ul style="list-style-type: none"> Introduce a new personnel system (role evaluation system) Strengthen career development Enhance self-development support programs 	Positive response rate in survey of employee attitude on HR development: At least 65%
Promotion of diversity	<ul style="list-style-type: none"> Promote female's activities Recruit international students Promote employment of persons with disabilities 	<ul style="list-style-type: none"> Proportion of females in the regular position: At least 13% Proportion of female researchers: At least 18%
Promotion of fair-trading	<ul style="list-style-type: none"> Hold in-house training sessions, and conduct other educational and awareness activities for fair-trading Conduct educational and awareness activities for compliance 	<ul style="list-style-type: none"> Zero violations of antitrust laws Zero bribery of foreign public officials
Promotion of sustainable procurement	<ul style="list-style-type: none"> Provide feedbacks on results of sustainable procurement survey Provide supports in improvement for suppliers that don't meet the Company's standards 	Provision rate of supports in improvement for suppliers that don't meet the Company's standards: At least 90%
Adaption to climate change	<ul style="list-style-type: none"> Maintain and improve the resilience of business activities in the event of natural disasters 	Update and maintain BCPs for products that account for 50% of ordinary income

Continuous Improvement of Responsible Care Activities

Continue our commitment to Responsible Care, with a focus on reducing GHG emissions to achieve carbon neutrality by 2050

Materiality Factor	Major Initiatives	Target for FY2027
Mitigation of climate change	<ul style="list-style-type: none"> Reduce GHG emissions 	<p>GHG emissions: Reduce by at least 30% compared to FY2018 (3 years ahead of the target for FY2030)</p>
Promotion of occupational health and safety	<ul style="list-style-type: none"> Strengthen occupational safety management 	<ul style="list-style-type: none"> Zero accidents requiring staff time off from work Number of occupational accidents: Reduce by half compared to FY2020
Biodiversity conservation	<ul style="list-style-type: none"> Promote biodiversity conservation activities 	<p>Establish and operate Bio-Parks at Nissan Chemical's plants</p>
Management of chemical substances	<ul style="list-style-type: none"> Comply with laws and regulations regarding the use of chemical substances 	<p>Continue zero serious violations of laws and regulations</p>
Reduction of industrial waste and pollutant emissions	<ul style="list-style-type: none"> Reduce industrial waste and pollutant emissions for final disposal 	<p>Reduce final disposal ratio at Nissan Chemical's plants (compared to FY2020)</p>
Security and disaster prevention	<ul style="list-style-type: none"> Strengthen the management of security and disaster prevention 	<ul style="list-style-type: none"> Zero fires, explosions and chemical spills Zero security accidents

Focus on improving production technology and adopting renewable energy etc., in addition to conventional efforts, to achieve carbon neutrality by 2050



Comparison of GHG emissions with general chemical manufacturers

(Thousands of tons -CO₂)

FY	2011	2018	2019	2020
Nissan Chemical	448	363	327	318
Average of 4 major general chemical manufacturers (non-consolidated basis)	-	-	5,845	5,581

Initiatives in Vista2027

- Zero N₂O emissions from nitric acid plants (Planned investment of 500 million yen, variable cost of 50 million yen/year)
- Melamine production shutdown
- Converting fuels at Onoda Plant
- Promoting reduction of GHG emissions through full-scale introduction of ICP
- Reduction of CFC equipment
- Upgrade to energy-efficient equipment

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Changes in Accounting Policies (some figures updated since November 2021)

- Changes in accounting policies:** Adoption of the Accounting Standard for the Revenue Recognition (ASBJ Statement No.29)
- Timing of adoption:** April 1, 2021 (From FY2021)
- Major effects on PL, BS due to the changes:**

Impact of Changes in Accounting Policies (YOY Change) (¥billion)

	FY2021 Actual						
	1Q	2Q	1H	3Q	4Q	2H	Total
Sales Impact ¹	-3.5	-7.4	-10.9	-1.7	-10.3	-12.0	-22.9
OP Impact ²	+1.2	-2.1	-0.9	+4.0	-3.2	+0.8	-0.1

1. Total impact of Agent transaction, Royalties based on sales amount and Sales discount subject to change at the selling timing

2. Total impact of Royalties based on sales amount and Sales discount subject to change at the selling timing

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
Impact on FY2021 PL	Sales and sales expenses down ¥22.8 billion, only deducted from Sales of Adjustment segment No impact on Operating Profit

B. Royalties based on sales amount

Mainly effected segments	Agrochemicals (Fluralaner running royalties)	3. MSD: MSD Animal Health, the global animal health business unit of Merck
Before adoption (until FY2021)	Royalties revenue on MSD ³ 's sales for Jan-June: recognized in Aug, July-Dec: recognized in Feb	
After adoption (from FY2021)	Royalties revenue on MSD ³ 's sales for Jan-Mar: recognized in May, Apr-June: recognized in Aug, July-Sep: recognized in Nov, Oct-Dec: recognized in Feb	

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
Impact on FY2021 BS	<ul style="list-style-type: none"> The cumulative effect (¥1.5 billion)(after reflecting tax effect) of retroactively applying (C) is deducted from the beginning FY2021 retained earnings (BS item)

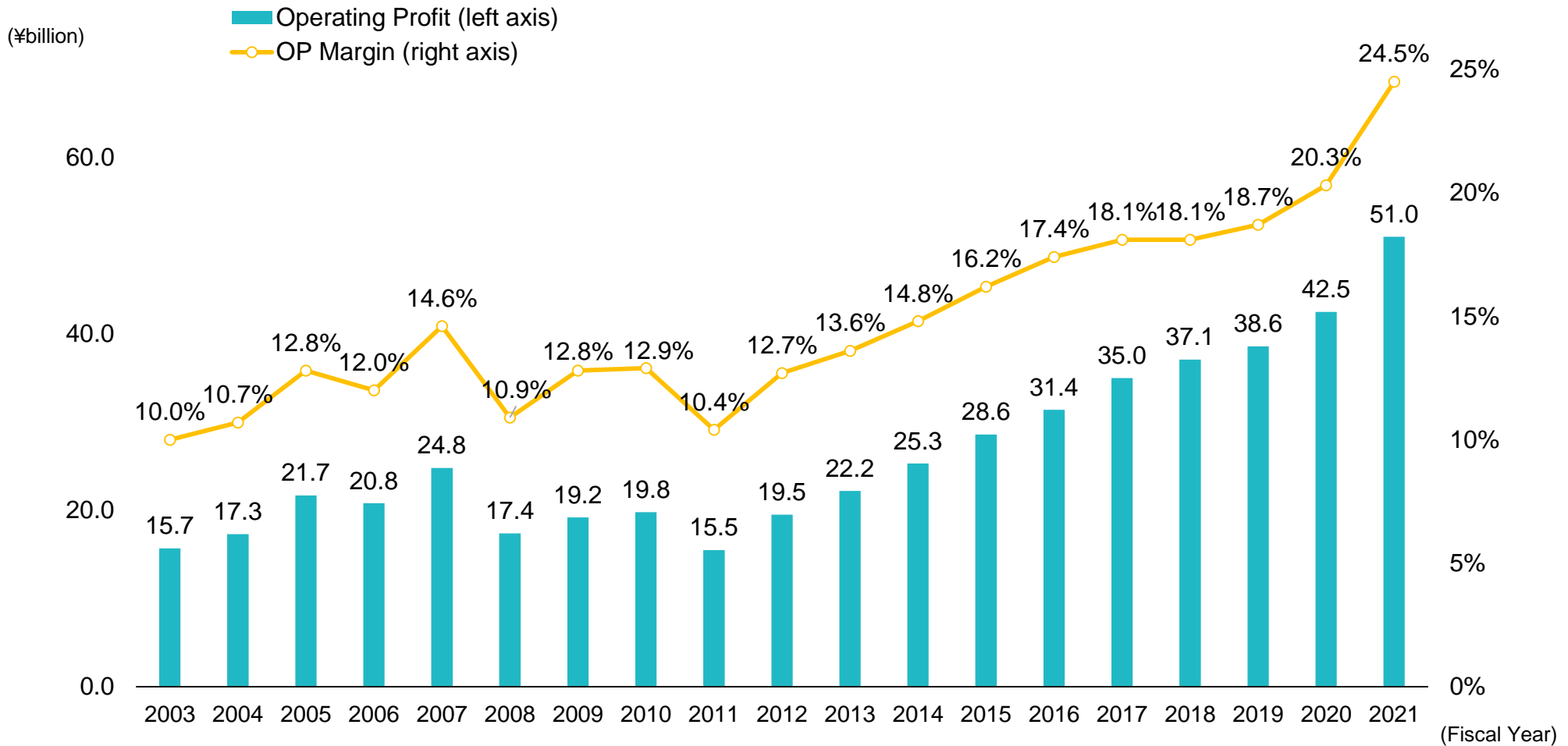
Sales discount amount trend after adoption vs. before adoption: 1Q up(negative impact), 2Q down, 1H up, 2H down, Total almost flat

Before adoption	FY2020	Discount on AY2020*(Oct 2019 – Sep 2020) sales
After adoption	FY2020	Discount on AY2020*(Oct 2019 – Sep 2020) sales + discount for Oct 2020 – Mar 2021 sales = ¥1.5 billion
	FY2021	Discount on Apr 2021 – Mar 2022 sales

AY2020* = Agrochemical Year (from Oct 2019 to Sep 2020)

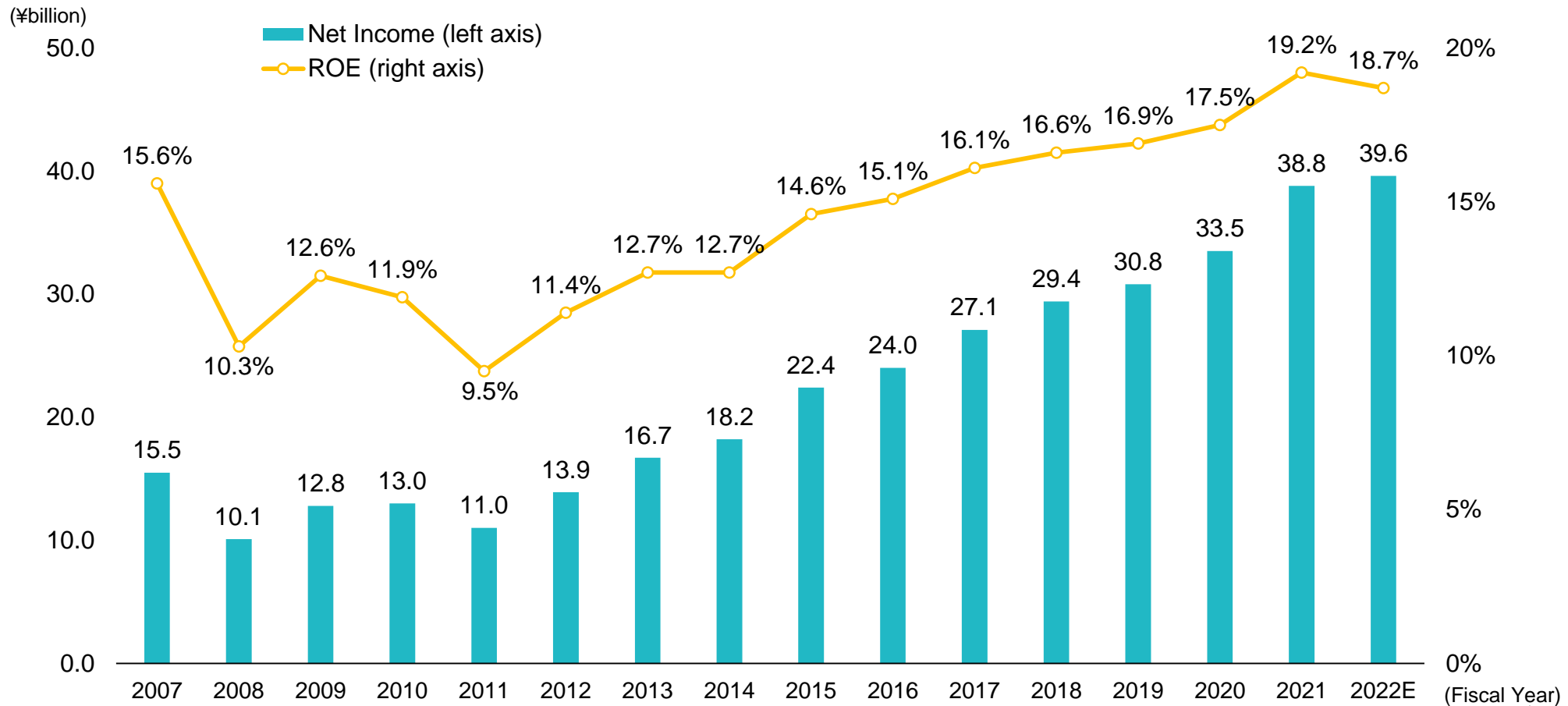
OP Margin Trend

- OP margin has been above 10% for 19 consecutive years (FY2003-2021)
- FY2021 Actual : 24.5%



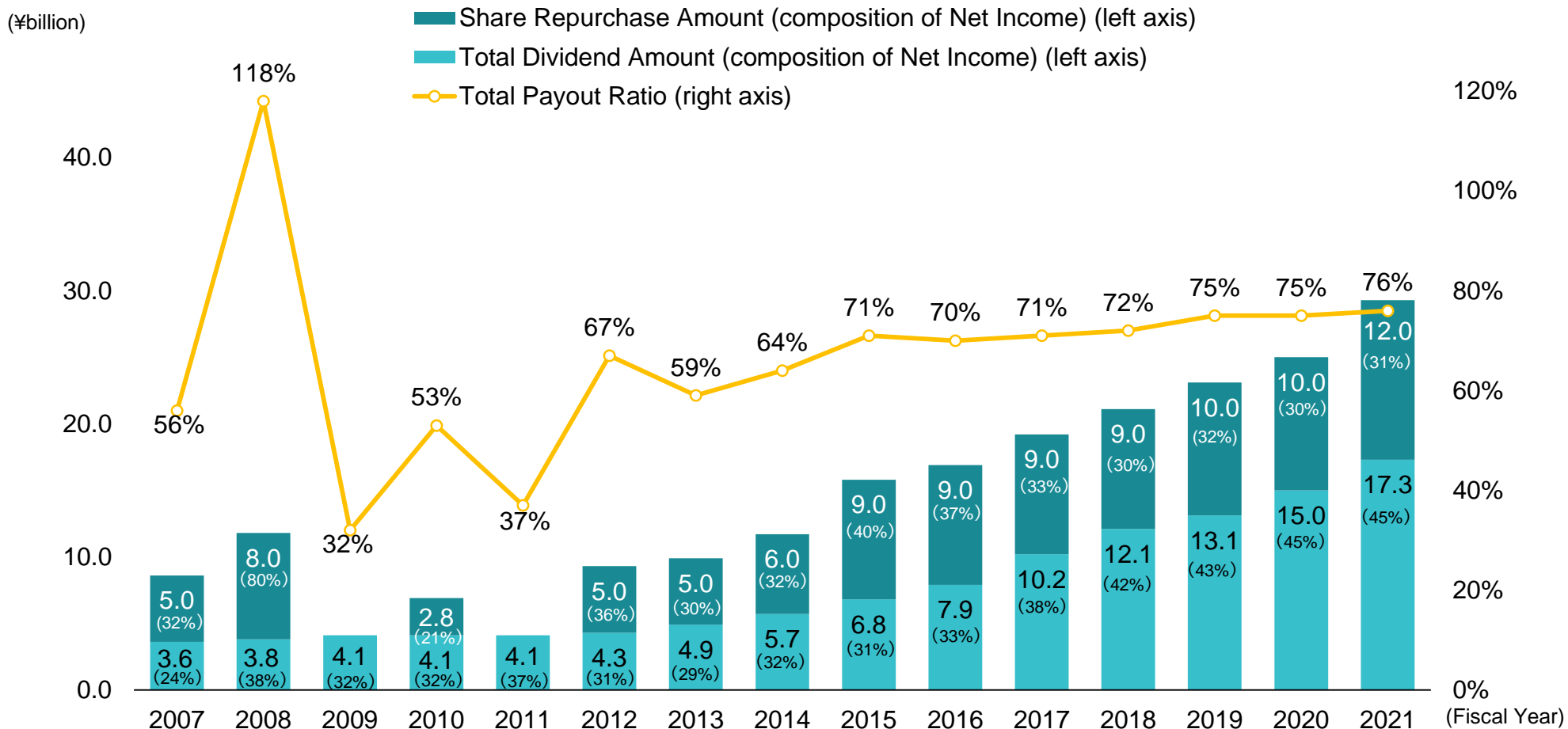
ROE Trend

- Position ROE as the most important financial indicator for a long time
- Mid-Term Plan FY2019-2021 Target : Maintain above 16% ⇒ Achieved
- New Mid-Term Plan FY2022-2027 Target: above 18%
- FY2022 Outlook: 18.7%



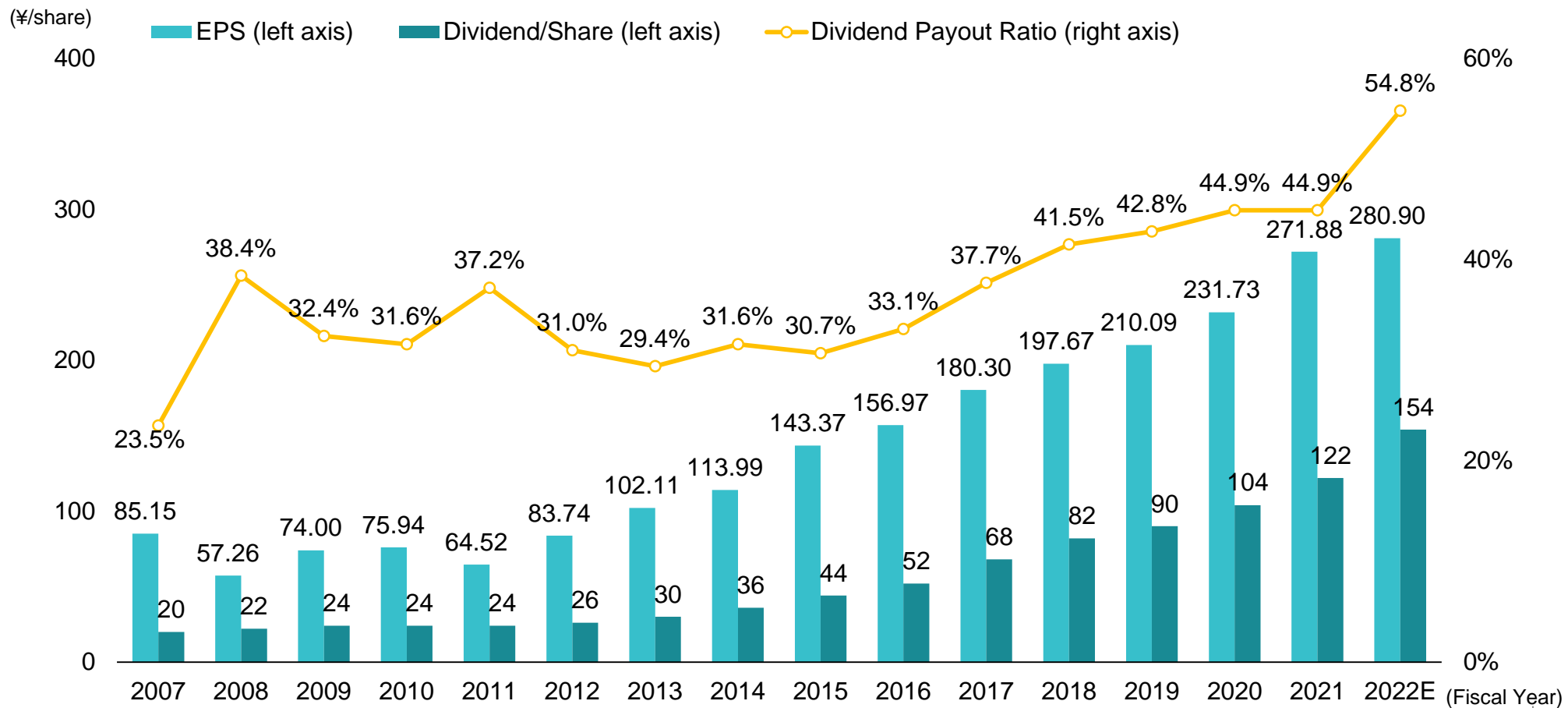
Shareholders Return Policy - Total Payout Ratio

- Maintain an aggressive shareholders return policy
- Mid-Term Plan FY2019-2021 Target : 72.5% in FY2019, 75% after FY2020 ⇒ Achieved
- FY2021 Actual: 76%
- New Mid-Term Plan FY2022-2027 Target: 75%



Shareholders Return Policy – Dividend Payout Ratio

- Gradually increased from 30.7% in FY2015 to 44.9% in FY2021
- Increase Dividend Payout Ratio Target to 55% from 45% in New Mid-Term Plan FY2022-2027
- Emphasis on direct shareholder returns
- Increased dividend/share for 10 consecutive years until FY2021



Shareholders Return Policy - Share Repurchase

- Started share repurchase in FY2006 only to enhance ROE
- Repurchased ¥104.5 billion, 44.7 million shares (23.8% of shares issued) in total from FY2006 to FY2021
- Cancelled all repurchased shares
- Continue to strengthen shareholders return through share repurchase

FY2006 - 2021 Shareholders Return

Fiscal Year	2006	2007	2008	2010	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Shares purchased (thousand shares) ¹	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	2,033	44,748
Purchase costs (¥billion) ¹	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	12.0	104.5
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	2,000	44,635
Shares issued at FY end (million shares)	185	181	174	171	165	161	158	156	154	151	149	146	145	143	-
Treasury shares at FY end (thousand shares) ²	1,367	1,233	1,660	885	1,258	522	287	1,621	2,242	1,535	1,218	523	1,352	1,384	-
Total payout ratio (dividend + share repurchase) (%)	60	56	118	53	67	59	64	71	70	71	72	75	75	76	-

FY2018-2021 Share Repurchase and Cancel Program

Fiscal Year	2018			2019			2020			2021		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total
Shares purchased (thousand shares) ¹	976	706	1,682	1,270	868	2,138	1,334	495	1,829	1,262	771	2,033
Purchase costs (¥billion) ¹	5.0	4.0	9.0	6.0	4.0	10.0	7.0	3.0	10.0	7.0	5.0	12.0
Shares cancelled (thousand shares)	2,000	0	2,000	2,000	1,000	3,000	1,000	0	1,000	2,000	0	2,000

1. Excluding share acquisitions for performance-based compensation 2. Including share acquisitions for performance-based compensation

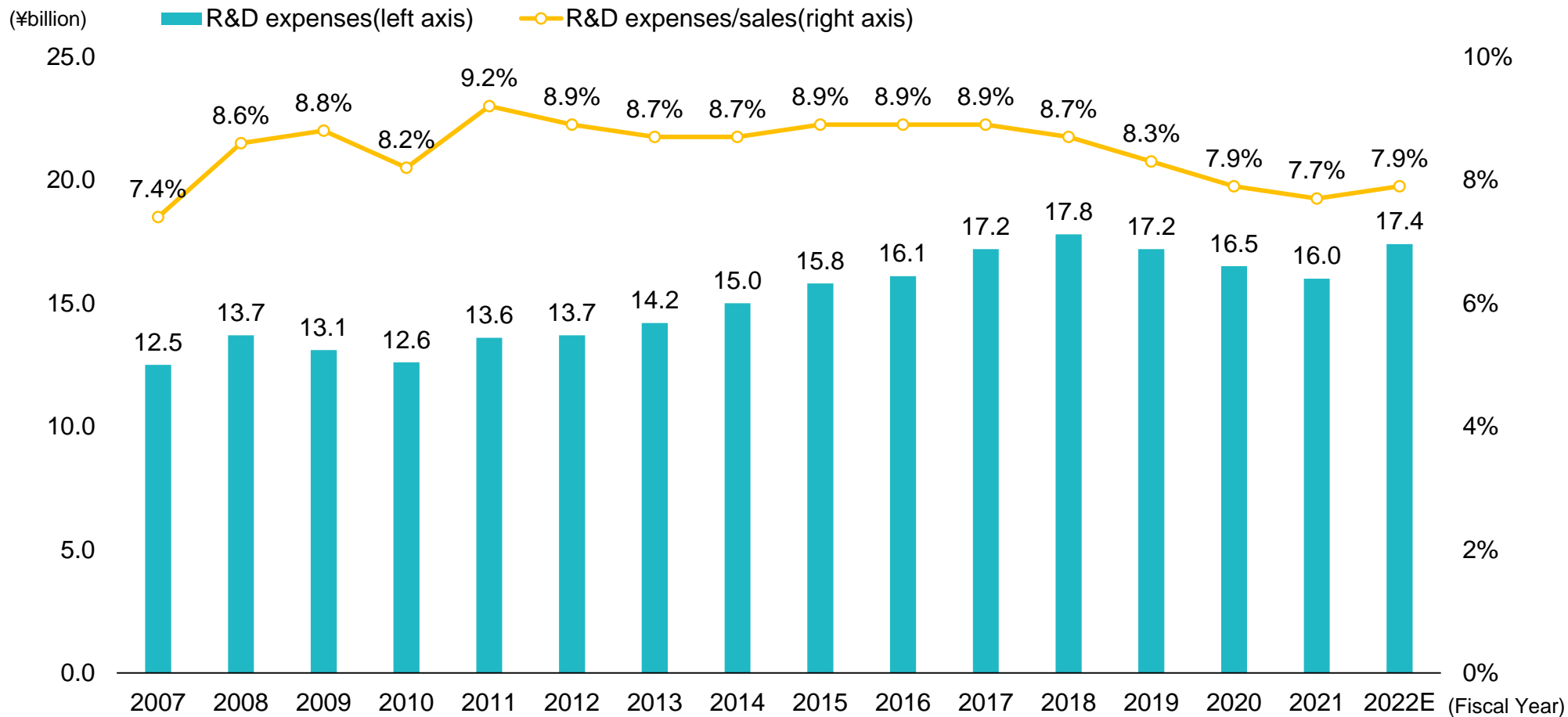
3. No share repurchase in FY2009 and FY2011

Cash Management Policy (Non-consolidated basis)

Level of Target Cash Balance= Minimum required level + 1/3 of annual scheduled long-term borrowings repayment
+ 1/3 of short-term borrowings outstanding + Contingent risk reserves

R&D Expenses Trend

- Value R&D as a future-creating enterprise that responds to social needs with unique, innovative technologies
- Maintain above 8% R&D expenses/sales in recent years



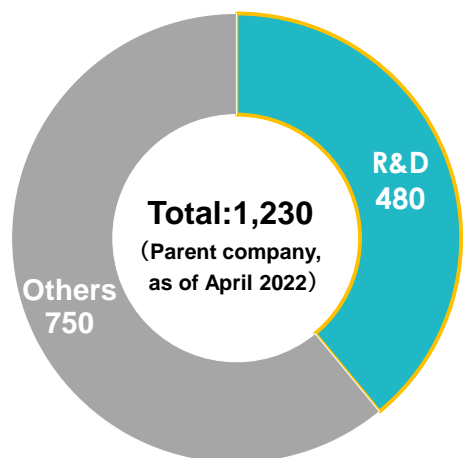
- Achieve high OP margin despite aggressive investment in R&D
- About 40% of professional staff engaged in R&D

R&D Expenses by Segment

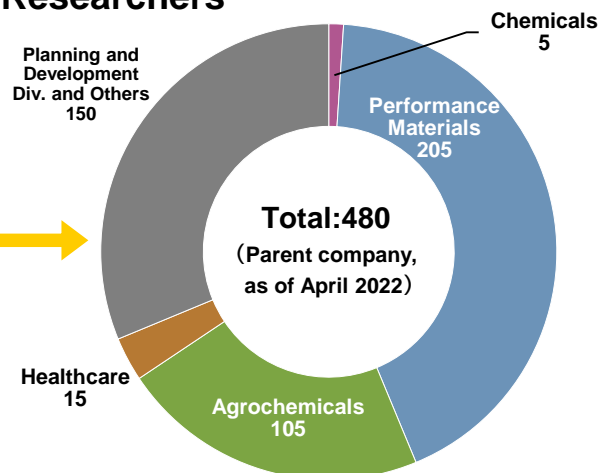
Segments	FY2022 Outlook				
	Sales (¥billion)	OP (¥billion)	OP Margin	R&D expenses (¥billion)	R&D Expenses/Sales
Chemicals	38.6	2.2	5.7%	0.4	1.0%
Performance Materials	89.9	30.5	33.9%	7.8	8.7%
Agrochemicals	72.9	19.5	26.7%	4.5	6.2%
Healthcare	5.9	2.1	35.6%	0.7	11.9%
Others ¹	-	-	-	4.0	-
Total (including Others¹)	219.0	53.5	24.4%	17.4	7.9%

1. Including Planning and Development Div.

Professional Staff Distribution



Researchers



2. The staff number indicated is round number

Long-term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022E
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	208.0	219.0
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	51.0	53.5
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	53.7	54.1
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	38.8	39.6
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	61.2	65.1
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%	24.5%	24.4%
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%	19.2%	18.7%
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	271.88	280.90
Dividend (¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	52	68	82	90	104	122	154
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%	44.9%	54.8%
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	12.0	-
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	279.7	-
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	208.0	-
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	34.7	-
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	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%	73.6%	-
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	11.0	18.3
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	10.2	11.4
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	16.0	17.4
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%	7.7%	7.9%

1. 2021 : Including effects of changes in accounting policies (see p72)

Sales and OP Trend by Segment

Sales (A)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022E	(¥billion)
Chemicals	38.1	36.9	34.5	35.5	34.3	34.3	34.8	34.9	35.7	34.3	31.9	37.6	38.6	
Performance Materials	38.0	34.0	37.4	42.8	49.4	51.8	52.8	58.8	63.0	65.5	71.6	81.7	89.9	
Agrochemicals	34.4	33.8	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.0	63.8	65.8	72.9	
Healthcare	9.6	10.0	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0	6.7	6.6	5.9	
Trading	44.1	44.8	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.9	69.8	80.4	83.7	
Others	27.0	20.0	21.2	21.4	20.9	20.9	24.0	21.5	24.6	22.4	23.8	23.6	26.5	
Adjustment	-37.0	-30.9	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-54.3	-58.5	-87.7	-98.5	
Total	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	208.0	219.0	

OP (B)

Chemicals	2.4	1.6	1.9	1.9	1.9	3.9	3.8	3.4	3.0	1.3	1.5	3.8	2.2	
Performance Materials	7.9	4.8	7.2	8.8	12.0	12.0	12.5	14.2	15.0	17.0	22.4	27.7	30.5	
Agrochemicals	4.8	4.4	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.3	18.2	18.3	19.5	
Healthcare	4.4	4.6	5.2	4.9	2.3	2.0	1.7	1.2	1.0	0.9	0.4	0.9	2.1	
Trading	1.4	1.3	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.1	2.5	2.9	2.3	
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	0.8	
Adjustment	-2.1	-1.5	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.7	-3.3	-3.3	-3.9	
Total	19.8	15.5	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	51.0	53.5	

Segment Assets

(FY2021)(D)
32.1
55.1
90.7
9.1
31.5
12.2
49.0
279.7

OP Margin (B)/(A)

Chemicals	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	3.8%	4.7%	10.1%	5.7%	
Performance Materials	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	26.0%	31.3%	33.9%	33.9%	
Agrochemicals	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	30.2%	28.5%	27.8%	26.7%	
Healthcare	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	12.9%	6.0%	13.6%	35.6%	
Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.6%	3.6%	2.7%	
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%	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%	24.5%	24.4%	

ROA(FY2021)

(B)/(D)
11.8%
50.3%
20.2%
9.9%
9.2%
5.7%
18.2%

1. FY2010-2011 : Former Segmentation, FY2012- : New Segmentation

2. Including inter-segment sales/transfers

4. FY2021: Including Sales decrease due to changes in accounting policies (see p72)

5. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others (see p82, p83 for breakdown)

6. Sales and OP for Planning and Development Division in FY2021 are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

7. Organizational change was implemented in April, 2022. FY2010-2021 Actual figures are based on old segmentation (see p21, p52)

3. FY2019-2022E : New OP method

A. Applied from FY2020 (no change for sales segmentation)

B. FY2019 restated based on new methods

C. Consolidation items

(such as unrealized gain on inventories)

- (Old method) Included in each segment

- (New method) Excluded from each segment and included in "Adjustment"

Quarterly Sales Trend by Segment (FY2019 - FY2022 Outlook)

(¥billion)

	FY2019 Actual					FY2020 Actual					FY2021 Actual					FY2022 Outlook				FY2021 Outlook as of Feb 2022
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	2H	Total	4Q
Chemicals	8.4	8.4	8.7	8.8	34.3	7.4	7.3	8.3	8.9	31.9	8.8	8.3	10.5	10.0	37.6	10.2	9.1	19.3	38.6	9.7
Fine Chemicals	2.6	2.6	2.6	2.7	10.5	2.7	2.7	2.8	3.2	11.4	3.2	3.0	3.7	3.2	13.1	3.7	3.6	7.4	14.7	3.7
Basic Chemicals	5.8	5.8	6.1	6.1	23.8	4.7	4.6	5.5	5.7	20.5	5.6	5.3	6.8	6.8	24.5	6.5	5.5	11.9	23.9	6.0
Performance Materials	15.1	16.3	17.0	17.1	65.5	17.1	17.5	19.2	17.8	71.6	20.0	19.6	20.9	21.2	81.7	21.2	22.2	46.5	89.9	20.8
Agrochemicals	14.7	13.2	5.5	30.6	64.0	14.6	11.1	6.3	31.8	63.8	13.4	11.6	11.9	28.9	65.8	17.2	13.5	42.2	72.9	29.6
Healthcare	1.9	1.5	1.6	2.0	7.0	1.5	1.5	1.4	2.3	6.7	1.1	2.2	2.0	1.3	6.6	1.6	1.4	2.9	5.9	1.1
Healthcare	1.4	0.7	0.9	1.0	4.1	0.7	0.8	0.6	0.8	2.9	0.6	0.8	0.5	0.6	2.5	0.8	0.4	0.9	2.1	0.4
Custom Chemicals	0.5	0.8	0.6	1.0	2.9	0.8	0.7	0.8	1.5	3.8	0.4	1.5	1.4	0.8	4.1	0.8	1.0	2.0	3.8	0.7
Trading	17.5	15.8	17.5	17.1	67.9	18.2	15.5	17.8	18.3	69.8	17.8	18.6	22.2	21.8	80.4	19.7	20.0	44.0	83.7	18.7
Others	4.9	4.9	5.1	7.5	22.4	4.8	4.6	6.8	7.6	23.8	4.9	5.5	6.1	7.1	23.6	6.1	6.0	14.4	26.5	7.8
Adjustment	-13.8	-12.3	-13.9	-14.3	-54.3	-14.3	-12.3	-16.1	-15.8	-58.5	-19.5	-20.5	-24.1	-23.6	-87.7	-23.6	-23.5	-51.4	-98.5	-20.7
Total	48.7	47.8	41.5	68.8	206.8	49.3	45.2	43.7	70.9	209.1	46.5	45.3	49.5	66.7	208.0	52.4	48.7	117.9	219.0	67.0

1. Including inter-segment sales/transfers

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

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

4. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others

5. Sales and OP for Planning and Development Division in FY2021 actual and FY2022 outlook are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

6. Organizational change was implemented in April, 2022. FY2019-2021 Actual figures are based on old segmentation (see p21, p52)

Quarterly OP Trend by Segment (FY2019 - FY2022 Outlook)

	FY2019 Actual					FY2020 Actual					FY2021 Actual					FY2022 Outlook				FY2021 Outlook as of Feb 2022
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	2H	Total	4Q
Chemicals	0.9	-0.6	0.5	0.5	1.3	0.7	-0.8	0.7	0.9	1.5	1.3	-0.1	1.3	1.3	3.8	1.6	-0.2	0.8	2.2	0.7
Performance Materials	4.0	4.4	4.7	3.9	17.0	5.3	5.4	6.3	5.4	22.4	7.0	6.2	7.6	6.9	27.7	7.1	7.4	16.0	30.5	6.5
Agrochemicals	4.5	4.9	-1.8	11.7	19.3	4.0	3.8	-1.3	11.7	18.2	4.1	2.9	3.1	8.2	18.3	5.7	3.8	10.0	19.5	9.2
Healthcare	0.4	0.1	0.1	0.3	0.9	-0.1	0.1	0.0	0.4	0.4	-0.2	0.7	0.4	0.0	0.9	0.6	0.5	1.0	2.1	-0.3
Healthcare	0.2	-0.2	-0.2	0.0	-0.1	-0.2	-0.1	-0.4	-0.2	-0.9	-0.3	-0.2	-0.3	-0.3	-1.1	0.3	0.1	0.1	0.5	-0.5
Custom Chemicals	0.2	0.3	0.2	0.4	1.1	0.2	0.2	0.3	0.6	1.3	0.1	0.8	0.8	0.3	2.0	0.3	0.4	0.9	1.6	0.3
Trading	0.5	0.5	0.6	0.5	2.1	0.7	0.5	0.7	0.6	2.5	0.7	0.6	0.8	0.8	2.9	0.6	0.6	1.1	2.3	0.4
Others	0.1	0.0	0.1	0.5	0.7	0.0	0.0	0.4	0.4	0.8	0.1	-0.1	0.2	0.5	0.7	0.2	-0.1	0.7	0.8	0.5
Adjustment	-1.1	-0.6	-0.7	-0.3	-2.7	-0.8	-0.8	-1.2	-0.5	-3.3	-1.1	-0.8	-0.8	-0.6	-3.3	-1.2	-0.6	-2.1	-3.9	-0.9
Total	9.3	8.7	3.5	17.1	38.6	9.8	8.2	5.6	18.9	42.5	11.9	9.4	12.6	17.1	51.0	14.6	11.4	27.5	53.5	16.1

1. FY2019-2022 Outlook : New OP method (see p81)

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

3. Trading: Nissei Corporation, Others&Adjustment: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, Planning and Development Division, and others

4. Sales and OP for Planning and Development Division in FY2021 actual and FY2022 outlook are disclosed in mid-term plan materials p33 (announced on May 13, 2022)

5. Organizational change was implemented in April, 2022. FY2013-2021 Actual figures are based on old segmentation (see p21, p52)

Main Products by Segment

Segment		Products	Main Applications		
Chemicals	Fine Chemicals	TEPIC	epoxy compound for LED sealants, solder resist, painting		
		Melamine cyanurate	flame retardant		
		Environmental product	HI-LITE (chlorinated isocyanuric acid for sterilizing)		
		FINEOXOCOL	Cosmetics, Lubricants, Adhesive		
	Basic Chemicals	Melamine	adhesive agent for plywood		
		AdBlue® ¹	solution of urea in demineralised water for diesel trucks to reduce NOx		
		High purity Sulfuric acid	agents used for cleaning semiconductors		
		Ammonia, Sulfuric acid, Nitric acid, Urea			
Performance Materials	Electronic Materials	SUNEVER	LCD alignment coating		
		ARC® ²	bottom anti-reflective coating for semiconductors		
		OptiStack® ²	multi layer process material for semiconductors (Si-HM/SOC)		
		OPTIFOCUS	microlens material for image sensor application		
		ELSOURCE	hole injection layer materials for OLED		
	Inorganic Materials	SNOWTEX	water dispersed colloidal silica sol for polishing silicon wafers, special steel sheets		
		Organo silica sol	film coating, antistatic interference shielding, electronic printing materials		
		Monomer sol	resin additive		
		Alumina sol	automotive catalyst, electronic printing materials		
		SUNCOLLOID	high refractive sol for lens		
		CELNAX	antistatic sol for film		
		Oilfield materials	for enhancing oil recovery		
		Agrochemicals	Herbicide	TARGA	soybean, rapeseed, sugarbeet
				PERMIT	corn, sugarcane, rice
SIRIUS, ALTAIR	rice				
ROUNDUP	non-selective herbicide for orchard, noncrop land				
Insecticide	SANMITE, MITOKOHNE, STARMITE		fruits, citrus, tea, vegetables		
	GRACIA		vegetables, tea		
Fungicide	PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)		potato, rice, turf		
	LEIMAY/ORACLE		potato, vegetables, grape		
	QUINTEC (QUINOXYFEN)		fruits, vegetables		
	DITHANE (MANCOZEB)		fruits, vegetables		
Animal health products	Fluralaner		active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites)		
Healthcare		LIVALO API	anti-cholesterol drug		
		Custom Chemicals	custom manufacturing and solution proposal business for pharmaceutical companies		

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