



Nissan Chemical
CORPORATION
WHERE IT ALL BEGINS

Presentation for Investors

1Q FY2022 (April 1- June 30, 2022) Financial Results

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



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1Q | vs. 1Q FY2021

- Sales up ¥11.8 billion (+25%)
- OP up ¥5.4 billion (+45%)
- Net Income up ¥5.1 billion (+57%)
- **OP, Ordinary Income and Net Income set a new record for 2 consecutive years**

1Q | vs. 1Q Outlook
as of May 2022

- Sales above target ¥5.9 billion
- OP above target ¥2.7 billion
- Net Income above target ¥2.7 billion

Shareholder Returns

- Completed a ¥5.0 billion share repurchase program (period: May - June 2022, 683 thousand shares)

Revision of Outlook

- Revised upward FY2022 Outlook announced in May 2022 (see p42)

1Q FY2022 Financial Summary YOY Change

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|---------------------------------------|------------------|------------------|-----------------|
| Sales | 46.5 | 58.3 | +11.8 (+25%) |
| Operating Profit | 11.9 | 17.3 | +5.4 (+45%) |
| Non-Operating Income/Expenses | 0.4 | 2.2 | +1.8 |
| Ordinary Income | 12.3 | 19.5 | +7.2 (+58%) |
| Extraordinary Income/Loss | 0.0 | 0.0 | 0.0 |
| Net Income ¹ | 8.8 | 13.9 | +5.1 (+57%) |
| EBITDA ² | 14.2 | 19.7 | +5.5 |
| EPS (¥/share) | 61.73 | 98.13 | +36.40 |
| OP Margin | 25.5% | 29.6% | +4.1pt |
| FX Rate (¥/\$) | 110 | 130 | - |
| Crude Oil (JCC) (\$/bbl) ³ | 67 | 111 | - |

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

1Q FY2022 Financial Summary Compared to Outlook

(¥billion)

| | 1Q FY2022 Outlook | 1Q FY2022 Actual | vs. Outlook |
|---------------------------------------|-------------------|------------------|-------------|
| Sales | 52.4 | 58.3 | +5.9 |
| Operating Profit | 14.6 | 17.3 | +2.7 |
| Non-Operating Income/Expenses | 0.6 | 2.2 | +1.6 |
| Ordinary Income | 15.2 | 19.5 | +4.3 |
| Extraordinary Income/Loss | 0.3 | 0.0 | -0.3 |
| Net Income ¹ | 11.2 | 13.9 | +2.7 |
| EBITDA ² | - | 19.7 | - |
| EPS (¥/share) | - | 98.13 | - |
| OP Margin | 27.9% | 29.6% | +1.7pt |
| FX Rate (¥/\$) | 115 | 130 | - |
| Crude Oil (JCC) (\$/bbl) ³ | 88 | 111 | - |

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

(¥)

1Q

| | FY2022 Actual | FY2021 Actual | YOY Change | Outlook | vs. Outlook |
|-----------------------|--------------------------|--|---------------------------|---------------------|---------------------|
| | 17.3 billion | 11.9 billion | +5.4 billion(+45%) | 14.6 billion | +2.7 billion |
| Chemicals | YOY Change +0.4 billion | Sales increase in melamine and TEPIC due to price up | | | |
| | vs. Outlook +0.1 billion | Sales increase in melamine and TEPIC due to price up | | | |
| Performance Materials | YOY Change +1.0 billion | Sales increase in Semis Materials | | | |
| | vs. Outlook +0.8 billion | OP increase due to fixed cost below expectations and sales increase in Semis Materials | | | |
| Agro | YOY Change +2.8 billion | Sales increase in Fluralaner (API and royalties), ROUNDUP, TARGA and GRACIA | | | |
| | vs. Outlook +1.1 billion | OP increase due to fixed cost below expectations and sales increase in TARGA, ROUNDUP, and DITHANE | | | |
| Healthcare | YOY Change +0.5 billion | Sales increase in LIVALO and Custom Chemicals | | | |
| | vs. Outlook +0.2 billion | Sales increase in LIVALO and Custom Chemicals | | | |

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

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change | 1Q FY2022 Outlook as of May 2022 (undisclosed) |
|---|---------------------|---------------------|--------------|---|
| Non-Operating Income | 0.63 | 2.42 | +1.79 | 0.76 |
| Interest income, dividend income | 0.27 | 0.31 | +0.04 | 0.30 |
| Foreign exchange gains | 0.00 | 1.69 | +1.69 | 0.00 |
| Equity in earnings of affiliates, others | 0.36 | 0.42 | +0.06 | 0.46 |
| Non-Operating Expenses | 0.19 | 0.19 | 0.00 | 0.16 |
| Interest expense | 0.03 | 0.04 | +0.01 | 0.03 |
| Foreign exchange losses | 0.01 | 0.00 | -0.01 | 0.00 |
| Loss on disposal of non-current assets, others | 0.15 | 0.15 | 0.00 | 0.13 |
| Non-Operating Income/Expenses | 0.44 | 2.23 | +1.79 | 0.60 |
| Extraordinary Income | 0.00 | 0.00 | 0.00 | 0.25 |
| Extraordinary Loss | 0.00 | 0.00 | 0.00 | 0.00 |
| Extraordinary Income/Loss¹ | 0.00 | 0.00 | 0.00 | 0.25 |

1. 1Q FY2022 Outlook:

Extraordinary Income ¥0.25 billion (Gain on sales of investment securities ¥0.25 billion)

Free cash flow in 1Q FY2022 was ¥8.8 billion, an increase of ¥0.3 billion from 1Q FY2021

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|---|---------------------|---------------------|-------------|
| CF from operating activities | 11.8 | 13.1 | +1.3 |
| Income before income taxes & non-controlling interests | 12.3 | 19.5 | +7.2 |
| Extraordinary loss (income) | 0.0 | 0.0 | 0.0 |
| Depreciation & amortization ¹ | 2.2 | 2.5 | +0.3 |
| Income taxes paid | -7.1 | -7.5 | -0.4 |
| Working capital, others | 4.4 | -1.4 | -5.8 |
| CF from investing activities | -3.3 | -4.3 | -1.0 |
| Purchase of PPE | -2.8 | -3.4 | -0.6 |
| Purchase and sales of investment securities | -0.1 | -0.4 | -0.3 |
| Others | -0.4 | -0.5 | -0.1 |
| Free cash flow | 8.5 | 8.8 | +0.3 |
| CF from financing activities | -23.8 | -18.0 | +5.8 |
| Payout to shareholders (dividend) | -8.3 | -10.2 | -1.9 |
| Payout to shareholders (share repurchase) | -4.8 | -5.0 | -0.2 |
| Borrowings | -8.4 | -2.7 | +5.7 |
| Others | -2.3 | -0.1 | +2.2 |
| Effect of exchange rate change on cash & cash equivalents | 0.0 | 0.8 | +0.8 |
| Change in cash & cash equivalents | -15.3 | -8.4 | +6.9 |
| Increase in cash and cash equivalents resulting from change in scope of consolidation | 0.0 | 3.1 | +3.1 |
| Cash & cash equivalents at end of period | 17.1 | 29.4 | +12.3 |

1. Including amortization of goodwill

(¥billion)

| | 2021/6 | 2022/3 | 2022/6 | vs. 2022/3 |
|-----------------------|--------------|--------------|--------------|-------------|
| Current assets | 142.2 | 175.3 | 172.6 | -2.7 |
| Cash | 17.1 | 34.7 | 29.4 | -5.3 |
| Accounts receivable | 66.4 | 80.0 | 80.0 | 0.0 |
| Inventories | 49.8 | 52.2 | 55.8 | +3.6 |
| Others | 8.9 | 8.4 | 7.4 | -1.0 |
| Fixed assets | 104.4 | 104.4 | 104.6 | +0.2 |
| Total PPE | 51.5 | 53.2 | 56.9 | +3.7 |
| Intangible assets | 12.2 | 11.8 | 12.0 | +0.2 |
| Investment securities | 34.9 | 30.2 | 29.8 | -0.4 |
| Others | 5.8 | 9.2 | 5.9 | -3.3 |
| Total assets | 246.6 | 279.7 | 277.2 | -2.5 |

| | 2021/6 | 2022/3 | 2022/6 | vs. 2022/3 |
|---|--------------|--------------|--------------|-------------|
| Liabilities | 52.7 | 71.7 | 67.5 | -4.2 |
| Accounts payable | 15.7 | 19.0 | 18.5 | -0.5 |
| Borrowings | 14.2 | 22.7 | 20.6 | -2.1 |
| Others | 22.8 | 30.0 | 28.4 | -1.6 |
| Net assets | 193.9 | 208.0 | 209.7 | +1.7 |
| Shareholders' equity ² | 181.1 | 196.7 | 195.5 | -1.2 |
| Valuation difference on available-for-sale securities | 10.5 | 8.3 | 8.6 | +0.3 |
| Foreign currency translation adjustment | 0.1 | 0.9 | 2.2 | +1.3 |
| Non-controlling interests | 1.8 | 2.1 | 3.0 | +0.9 |
| Remeasurements of defined benefit plans | 0.4 | 0.0 | 0.4 | +0.4 |
| Total liabilities & net assets | 246.6 | 279.7 | 277.2 | -2.5 |

Breakdown of Investment Securities

| | 2021/6 | 2022/3 | 2022/6 | vs. 2022/3 |
|--|----------------------|----------------------|----------------------|---------------------|
| Listed shares¹ (Number of stocks held, Non-consolidated basis) | 23.1 (31) | 18.9 (30) | 19.3 (30) | +0.4 (0) |
| Unlisted shares | 2.8 | 2.6 | 3.1 | +0.5 |
| Subsidiaries/Associate shares | 9.0 | 8.7 | 7.4 | -1.3 |
| Total | 34.9 | 30.2 | 29.8 | -0.4 |

| | | | |
|--|--------------|-------------|-------------|
| Strategic shareholdings on net assets⁴ | 12.2% | 9.5% | 9.9% |
|--|--------------|-------------|-------------|

| | | | |
|------------------------------|--------------|--------------|--------------|
| Equity Ratio | 77.9% | 73.6% | 74.5% |
| D/E Ratio³ | -1.6% | -6.1% | -4.5% |

- 2022/3 18.9 + Acquisition 0.0 + Sales and valuation difference 0.4 = 2022/6 19.3
- Change in shareholders' equity -1.2 = Net Income 13.9 – Dividend and others 15.1
- D/E Ratio = (Borrowings - Cash) / Shareholders' equity
- Strategic shareholdings on net assets = strategic shareholdings (Non-consolidated basis, Listed shares + Unlisted shares) / Net assets (Consolidated basis)
Strategic shareholdings (Non-consolidated basis, ¥billion): 2021/6 23.7, 2022/3 19.8, 2022/6 20.7

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1Q FY2022 Financial Results YOY Change by Segment

(¥billion)

| | | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|-----------------------------|-------|------------------|------------------|-----------------|
| Chemicals | Sales | 8.8 | 10.4 | +1.6 (+18%) |
| | OP | 1.3 | 1.7 | +0.4 (+36%) |
| Performance Materials | Sales | 20.0 | 21.8 | +1.8 (+9%) |
| | OP | 6.9 | 7.9 | +1.0 (+14%) |
| Agrochemicals | Sales | 13.4 | 19.7 | +6.3 (+47%) |
| | OP | 4.0 | 6.8 | +2.8 (+69%) |
| Healthcare | Sales | 1.1 | 1.7 | +0.6 (+55%) |
| | OP | 0.3 | 0.8 | +0.5 (+153%) |
| Trading, Others, Adjustment | Sales | 3.2 | 4.7 | +1.5 |
| | OP | -0.6 | 0.1 | +0.7 |
| Total | Sales | 46.5 | 58.3 | +11.8 (+25%) |
| | OP | 11.9 | 17.3 | +5.4 (+45%) |

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others
Adjustment: Planning & Development Division and others (see p66, p67 for breakdown)

3. 1Q FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

1Q FY2022 Financial Results Compared to Outlook by Segment

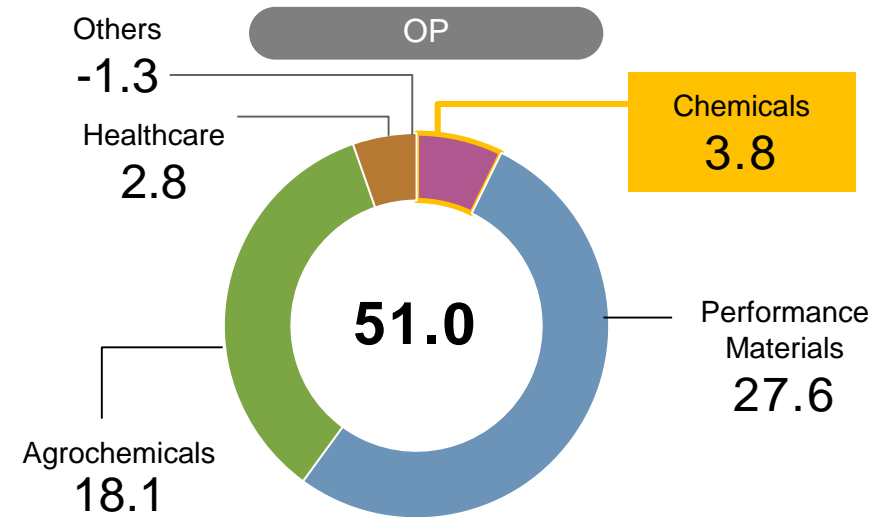
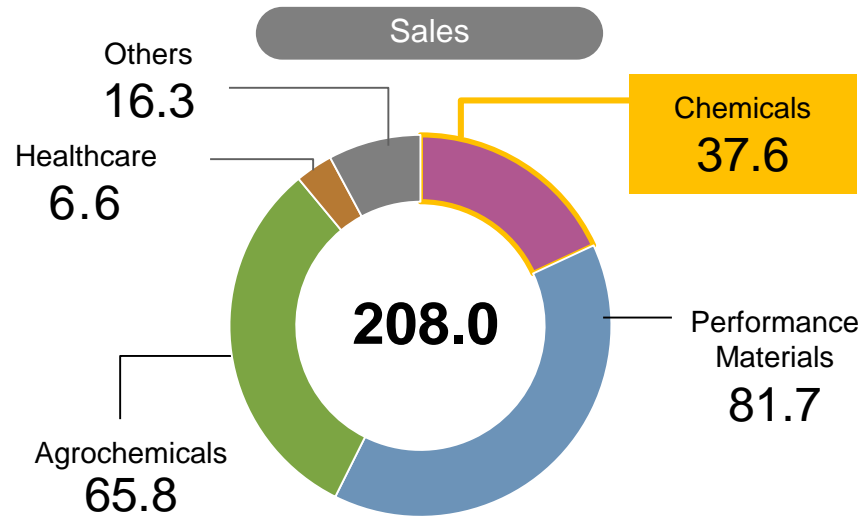
(¥billion)

| | | 1Q FY2022 Outlook | 1Q FY2022 Actual | vs. Outlook |
|------------------------------------|-------|-------------------|------------------|-------------|
| Chemicals | Sales | 10.2 | 10.4 | +0.2 |
| | OP | 1.6 | 1.7 | +0.1 |
| Performance Materials | Sales | 21.2 | 21.8 | +0.6 |
| | OP | 7.1 | 7.9 | +0.8 |
| Agrochemicals | Sales | 17.2 | 19.7 | +2.5 |
| | OP | 5.7 | 6.8 | +1.1 |
| Healthcare | Sales | 1.6 | 1.7 | +0.1 |
| | OP | 0.6 | 0.8 | +0.2 |
| Trading, Others, Adjustment | Sales | 2.2 | 4.7 | +2.5 |
| | OP | -0.4 | 0.1 | +0.5 |
| Total | Sales | 52.4 | 58.3 | +5.9 |
| | OP | 14.6 | 17.3 | +2.7 |

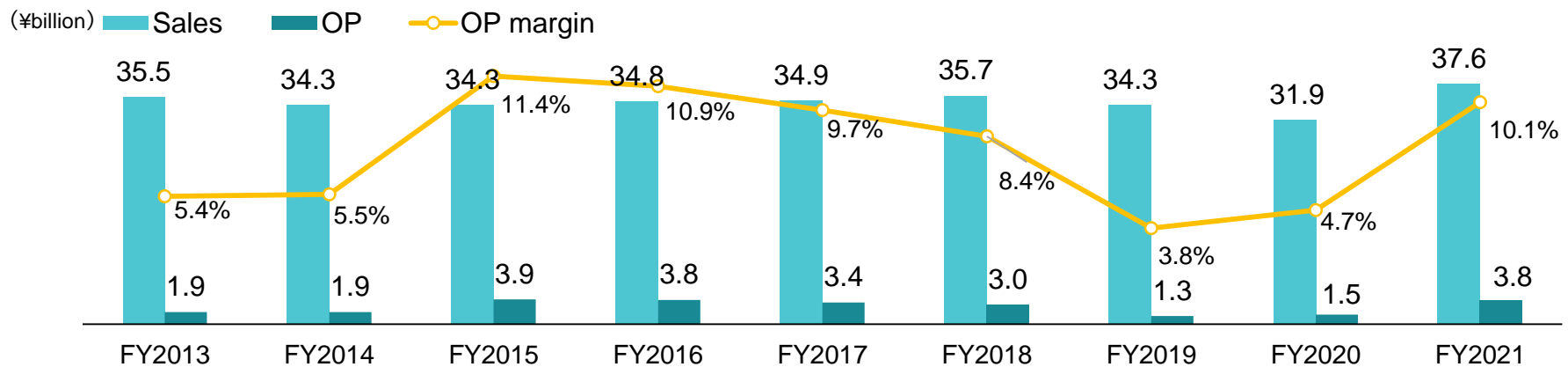
1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo and others
Adjustment: Planning & Development Division and others (see p66, p67 for breakdown)

FY2021 Actual by Segment (¥billion)¹



Chemicals – Recent Financial Performance



1. Organizational changes were implemented in April, 2022. FY2013-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

- Fine Chemicals: 【1Q】Sales YOY +30%, Sales above target
- Basic Chemicals: 【1Q】Sales YOY +11%, Sales below target

| Main Products | 1Q FY2022 Actual | |
|--|------------------|--|
| | YOY Change | vs. Outlook as of May 2022 (undisclosed) |
| TEPIC | +43% | Above |
| Environmental related products | +10% | Below |
| FINEOXOCOL | +44% | Above |
| Total Fine Chemicals¹ | +30% | Above |
| Melamine | +50% | Above |
| Urea/AdBlue [®] | +53% | Above |
| High purity sulfuric acid | +2% | In line |
| Nitric acid products ² | -33% | Below |
| Total Basic Chemicals³ | +11% | Below |
| Total Segment | +18% | Above |

1. TEPIC, Environmental related products, and FINEOXOCOL account for 88% of total Fine Chemicals sales (1Q FY2022 Actual)

2. From April to June 2022, Nitric acid plant temporarily shutdown due to mechanical troubles, and restarted deliveries from June 17, 2022 (Estimated impact) (1Q FY2022) OP down ¥0.67 billion, (2Q) OP down ¥0.32 billion (1H) OP down ¥0.99 billion

3. Melamine, Urea/AdBlue[®], High purity sulfuric acid, and Nitric acid products account for 59% of total Basic Chemical sales (1Q FY2022 Actual)

【1Q】 Sales up ¥1.6 billion, OP up ¥0.4 billion

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|-----------------|------------------|------------------|------------|
| Sales | 8.8 | 10.4 | +1.6 |
| Fine Chemicals | 3.2 | 4.2 | +1.0 |
| Basic Chemicals | 5.6 | 6.2 | +0.6 |
| OP | 1.3 | 1.7 | +0.4 |

1. 1Q FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

【1Q】 Sales up, OP up

| | | |
|---|--------------------------------|-------------------------------------|
| Fine Chemicals | TEPIC for general applications | Sales up (price up) |
| | TEPIC for electronic materials | Sales down |
| | Environmental related products | Sales up (price up) |
| | FINEOXOCOL | Sales up (cosmetic use recovery) |
| Feedstock and raw materials cost up, shipping cost up | | |

【1Q】 Sales up, OP up

| | | |
|--|---------------------------|---|
| Basic Chemicals | Melamine | Sales up (price up) |
| | Urea/AdBlue® | Sales up (price up) |
| | High purity sulfuric acid | Sales up |
| | Nitric acid products | Sales down (nitric acid plant troubles, see p15) |
| Feedstock and raw materials cost up, shipping cost down, fixed cost up ¥0.3 billion, inventory adjustment cost down ¥0.3 billion | | |

【1Q】 Sales above target ¥0.2 billion, OP above target ¥0.1 billion

OP above target despite nitric acid plant troubles

(¥billion)

| | 1Q FY2022 Outlook as of May 2022 | 1Q FY2022 Actual | vs. Outlook |
|-----------------|-------------------------------------|------------------|-------------|
| Sales | 10.2 | 10.4 | +0.2 |
| Fine Chemicals | 3.7 | 4.2 | +0.5 |
| Basic Chemicals | 6.5 | 6.2 | -0.3 |
| OP | 1.6 | 1.7 | +0.1 |

【1Q】 Sales above target, OP above target

Fine
Chemicals

TEPIC for
general applications

Sales above target (price up)

TEPIC for
electronic materials

Sales below target

Environmental
related products

Sales below target
(influence of nitric acid plant troubles,
see p15)

FINEOXOCOL

Sales above target
(cosmetic use strong)

Feedstock and raw materials cost above expectations

【1Q】 Sales below target, OP below target

Basic
Chemicals

Melamine

Sales above target (price up)

Urea/AdBlue®

Sales above target (price up)

High purity
sulfuric acid

Sales in line with target

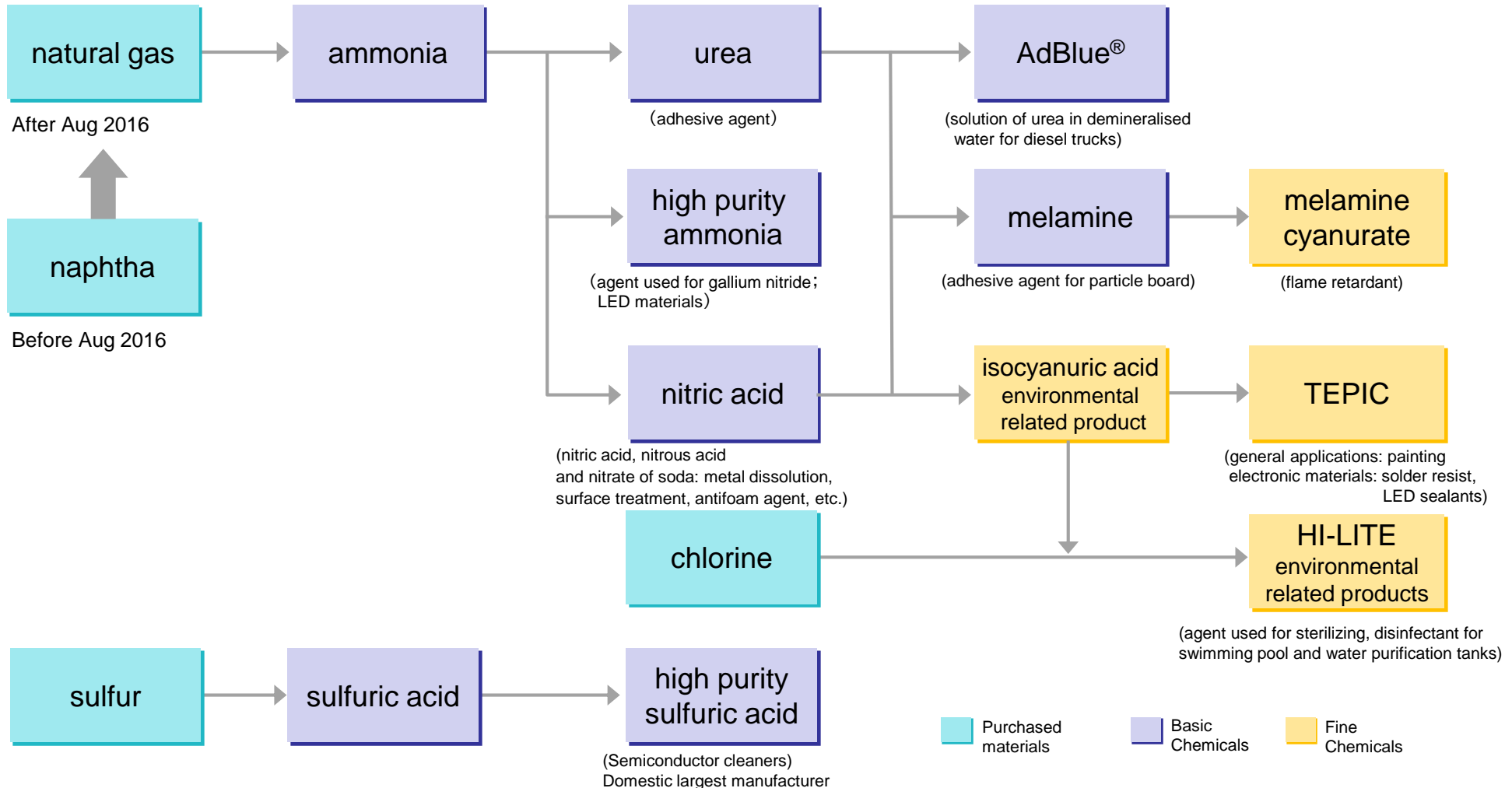
Nitric acid
products

Sales below target
(nitric acid plant troubles, see p15)

Feedstock and raw materials cost above expectations,
shipping cost below expectations,
fixed cost above expectations ¥0.3 billion

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 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

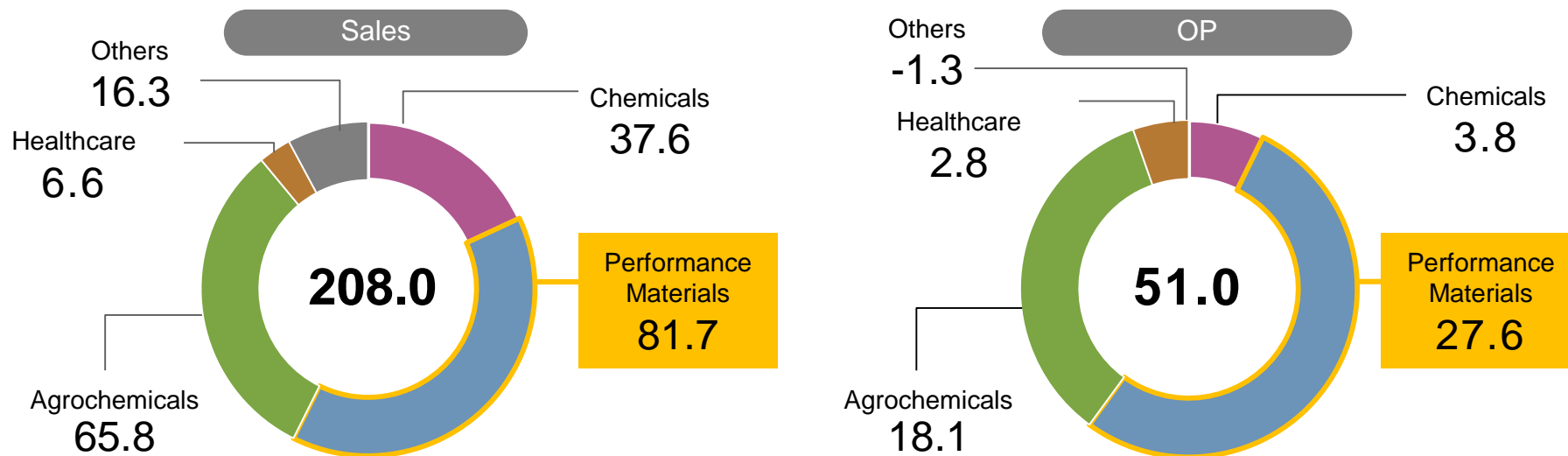
4. Restructuring costs

Melamine plant shutdown related costs (extraordinary loss of 1.79 billion yen) were compensated by gain on sales of investment securities (recorded in 2Q FY2021)

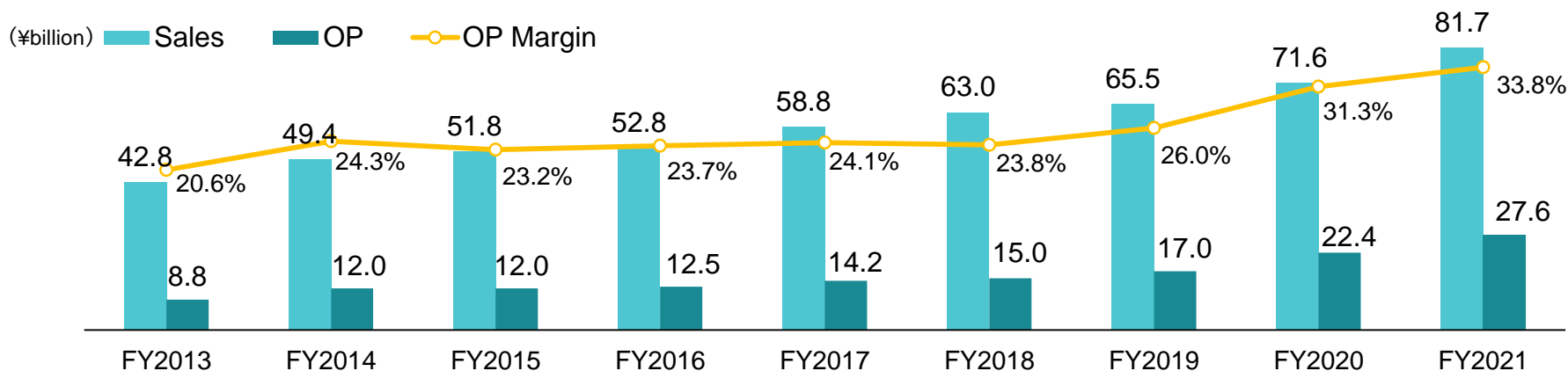
5. ESG

By shutdown of melamine, 26,000 GHG (t-CO₂) or equivalent to about 7% of FY2018 GHG (see p47) estimated to be reduced

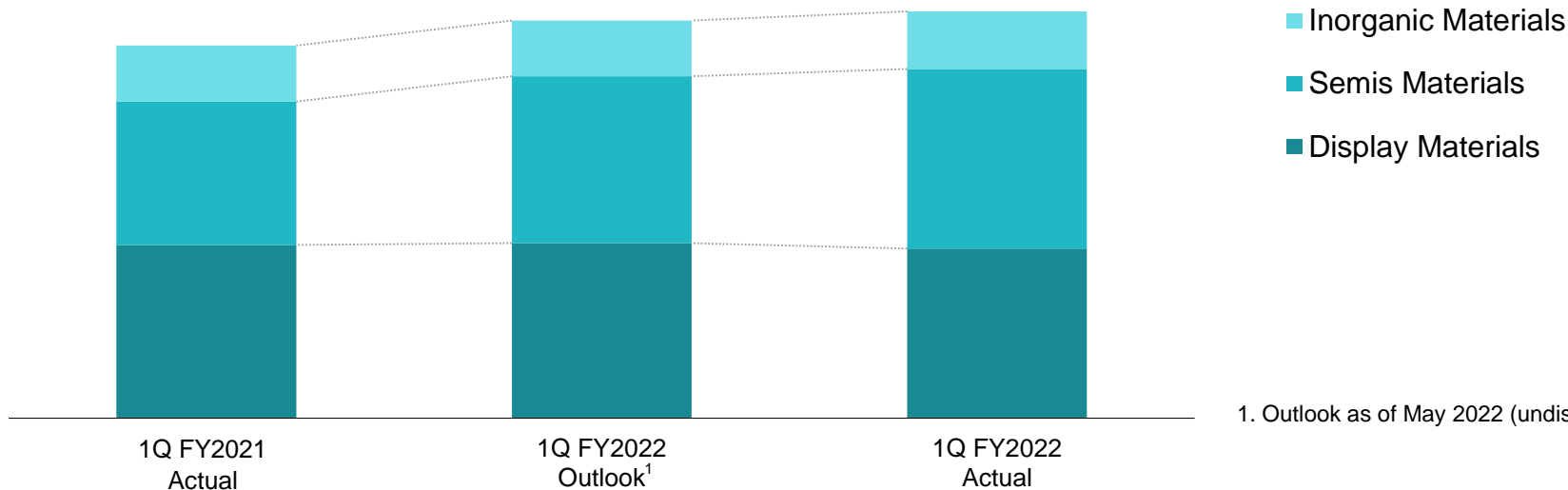
FY2021 Actual by Segment (¥billion)¹



Performance Materials – Recent Financial Performance



1. Organizational change was implemented in April, 2022. FY2013-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)



1. Outlook as of May 2022 (undisclosed)

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 |

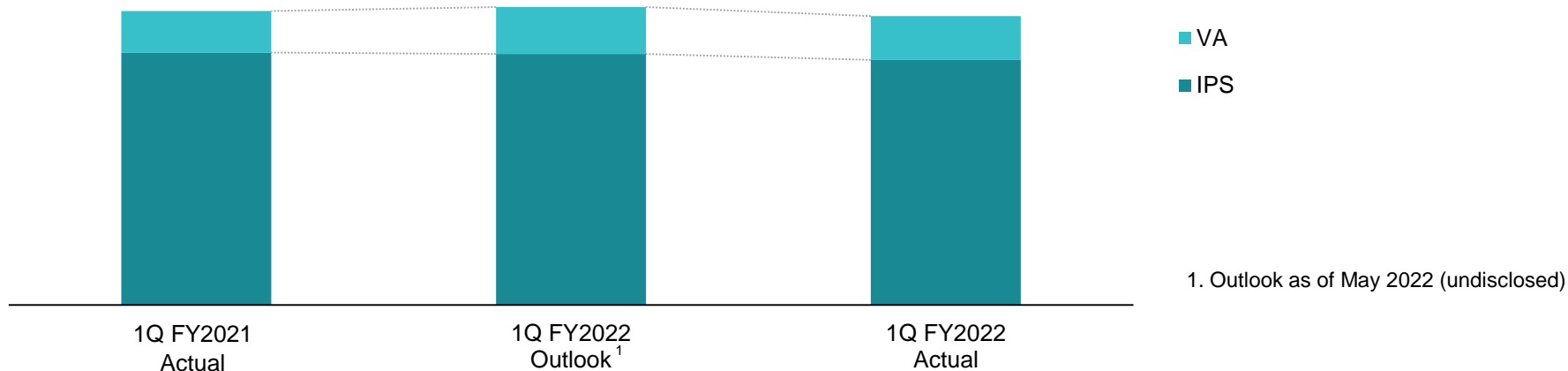
- DP Materials: 【1Q】Sales YOY -2%, Sales below target
- Semis Materials: 【1Q】Sales YOY +25%, Sales above target
- Inorganic Materials: 【1Q】Sales YOY +2%, Sales above target

| Main Products | 1Q FY2022 Actual | |
|------------------------------------|------------------|--|
| | YOY Change | vs. Outlook as of May 2022 (undisclosed) |
| SUNEVER | -2% | Below |
| Total Display Materials | -2% | Below |
| KrF (ARC®) | +10% | In line |
| ArF (ARC®) | +31% | Above |
| Total ARC® | +25% | Above |
| Other Semis Materials ¹ | +26% | Above |
| Total Semis Materials | +25% | Above |
| SNOWTEX | +2% | Above |
| Organo/Monomer Sol | +3% | Above |
| Oilfield Materials | +47% | Above |
| Total Inorganic Materials | +2% | Above |
| Total Segment | +9% | Above |

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

Photo IPS (photo alignment materials for IPS LCDs) : Sales YOY up, Sales above target

Total SUNEVER : Sales YOY -2%, Sales below target



Main Applications

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

Sales Growth Rate by Mode

| | 1Q FY2022 Actual | |
|--|------------------|--|
| | YOY Change | vs. Outlook as of May 2022 (undisclosed) |
| VA | Up(+0 ~ +9%) | Below |
| IPS | Down(-0 ~ -9%) | Below |
| Total SUNEVER (including TN ²) | -2% | Below |

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

【1Q】Sales up ¥1.8 billion, OP up ¥1.0 billion

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|-------|------------------|------------------|------------|
| Sales | 20.0 | 21.8 | +1.8 |
| OP | 6.9 | 7.9 | +1.0 |

1. 1Q FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

【1Q】 Sales down, OP flat

Display
Materials

| | |
|-------------|---------------------------------|
| Photo IPS | Sales up (non-smartphone up) |
| Rubbing IPS | Sales down |
| VA | Sales up |

【1Q】 Sales up, OP up

Semis
Materials

| | |
|-----------------------|---|
| ARC® | Sales up |
| Other semis materials | Sales up (multi layer materials and other new materials ¹ up) |

Semis market overall good performance, fixed cost up ¥0.1 billion

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

【1Q】 Sales up, OP up

Inorganic
Materials

| | |
|--------------------|--|
| SNOWTEX | Sales up (non-polishing and polishing up) |
| Organo/Monomer Sol | Sales up |
| Oilfield materials | Sales up |

Fixed cost down ¥0.1 billion

1Q FY2022 Financial Results Compared to Outlook

[1Q] Sales above target ¥0.6 billion, OP above target ¥0.8 billion,
Fixed cost below expectations ¥0.3 billion in total

(¥billion)

| | 1Q FY2022 Outlook as of May 2022 | 1Q FY2022 Actual | vs. Outlook |
|-------|-------------------------------------|------------------|-------------|
| Sales | 21.2 | 21.8 | +0.6 |
| OP | 7.1 | 7.9 | +0.8 |

[1Q] Sales below target, OP above target

Display
Materials

Photo IPS Sales above target

Rubbing IPS Sales below target

VA Sales below target

Fixed cost below expectations ¥0.1 billion

Semis
Materials

[1Q] Sales above target, OP above target

ARC® Sales above target

Other semis materials Sales above target (multi layer materials and other new materials¹ above target)Semis market overall good performance,
fixed cost below expectations ¥0.2 billion

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

Inorganic
Materials

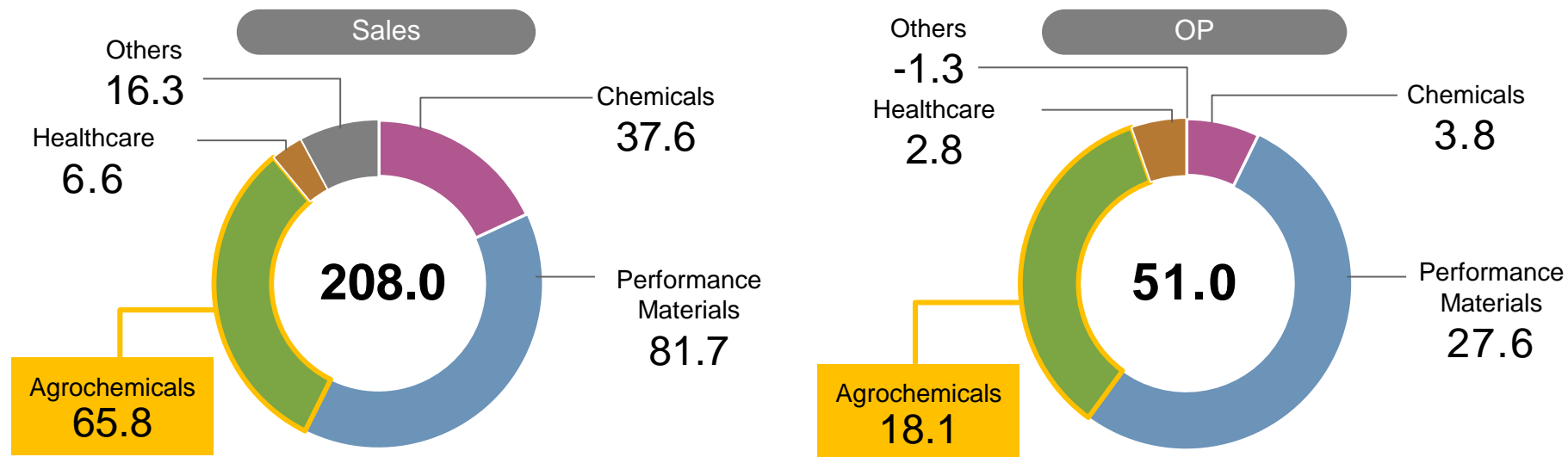
[1Q] Sales above target, OP above target

SNOWTEX Sales above target
(non-polishing and polishing up)

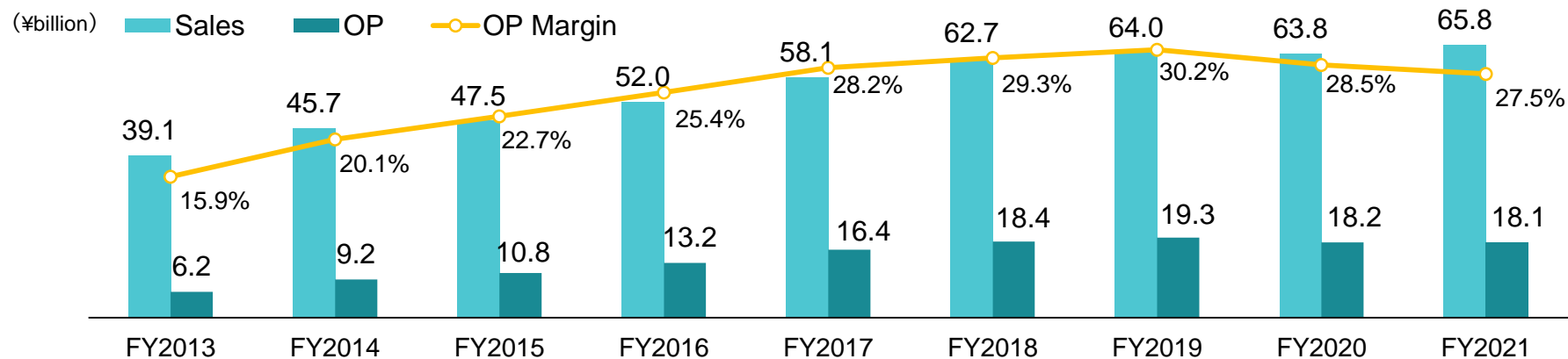
Organo/Monomer Sol Sales above target

Oilfield materials Sales above target

FY2021 Actual by Segment (¥billion)¹



Agrochemicals – Recent Financial Performance



1. Organizational change was implemented in April, 2022. FY2013-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

[1Q] Sales YOY +47%, Sales above target

| Main Products (in order of FY2021 Sales amount) | Types | YOY Change (1Q) | vs. Outlook as of May 2022 (undisclosed) |
|---|-----------------------|--------------------|--|
| ROUNDUP ¹ | Herbicide | +22% | Above |
| Fluralaner | Animal health product | +55% | Above |
| ALTAIR | Herbicide | +27% | Above |
| TARGA | Herbicide | +89% | Above |
| DITHANE | Fungicide | +37% | Above |
| PERMIT | Herbicide | +59% | Above |
| LEIMAY | Fungicide | +208% | Above |
| GRACIA | Insecticide | +216% | Above |
| QUINTEC | Fungicide | -97% | Below |
| Total segment² | - | +47% | Above |

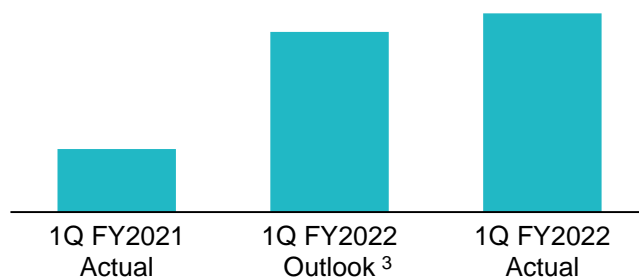
Reference

- 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 32% of 1Q FY2022 ROUNDUP sales
- Total segment sales YOY include discount

GRACIA Sales



Reference

FY2021 Presentation Materials (announced on May 13, 2022)
p40 GRACIA Sales Growth forecast

- Outlook as of May 2022 (undisclosed)

【1Q】Sales up ¥6.3 billion, OP up ¥2.8 billion,
Fixed cost up ¥0.3 billion, Inventory adjustment cost down ¥0.7 billion

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|-------|------------------|------------------|------------|
| Sales | 13.4 | 19.7 | +6.3 |
| OP | 4.0 | 6.8 | +2.8 |

1. 1Q FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

| | | |
|---------------|-----------------------------------|---|
| Main products | ROUNDUP(Herbicide) | Sales up (ML & AL: price & volume up) |
| | Fluralaner(Animal health product) | Sales up (API: up due to shipment shifted from 4Q FY2021 to 1Q FY2022, end of inventory adjustment, royalties: up) |
| | ALTAIR(Herbicide) | Sales up (domestic & export: up) |
| | TARGA(Herbicide) | Sales up (partial shipment shifted from 2Q to 1Q FY2022, demand increase) |
| | DITHANE(Fungicide) | Sales up (export up) |
| | PERMIT(Herbicide) | Sales up |
| | LEIMAY(Fungicide) | Sales up (export: sales up for mixture product application 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 & Indonesia and sales recovery in Korea) |
| | QUINTEC(Fungicide) | Sales down (shipment shifted from 1Q to 2Q FY2022) |

【1Q】 Sales above target ¥2.5 billion, OP above target ¥1.1 billion,
Fixed cost below expectations ¥0.4 billion, Inventory adjustment cost below expectations ¥0.2 billion

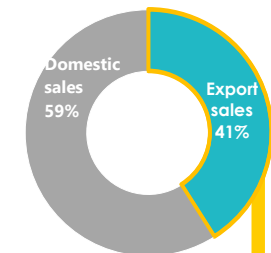
(¥billion)

| | 1Q FY2022 Outlook as of May 2022 | 1Q FY2022 Actual | vs. Outlook |
|-------|-------------------------------------|------------------|-------------|
| Sales | 17.2 | 19.7 | +2.5 |
| OP | 5.7 | 6.8 | +1.1 |

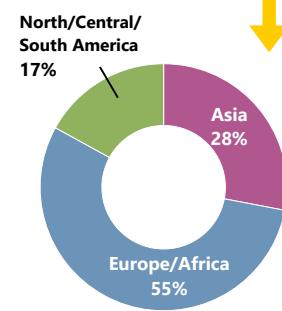
| | | |
|---------------|-----------------------------------|--|
| Main products | ROUNDUP(Herbicide) | Sales above target (ML: above target, AL: in line with target) |
| | Fluralaner(Animal health product) | Sales above target (royalties above target) |
| | ALTAIR(Herbicide) | Sales above target |
| | TARGA(Herbicide) | Sales above target (partial shipment shifted from 2Q to 1Q FY2022, demand increase) |
| | DITHANE(Fungicide) | Sales above target (partial shipment shifted from 4Q FY2021 to 1Q FY2022) |
| | PERMIT(Herbicide) | Sales above target |
| | LEIMAY(Fungicide) | Sales above target (partial shipment shifted from 4Q FY2021 to 1Q FY2022, demand increase) |
| | GRACIA(Insecticide) | Sales above target (sales expansion in India and Indonesia) |
| | QUINTEC(Fungicide) | Sales below target (shipment shifted from 1Q to 2Q FY2022) |

| | 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 product | 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



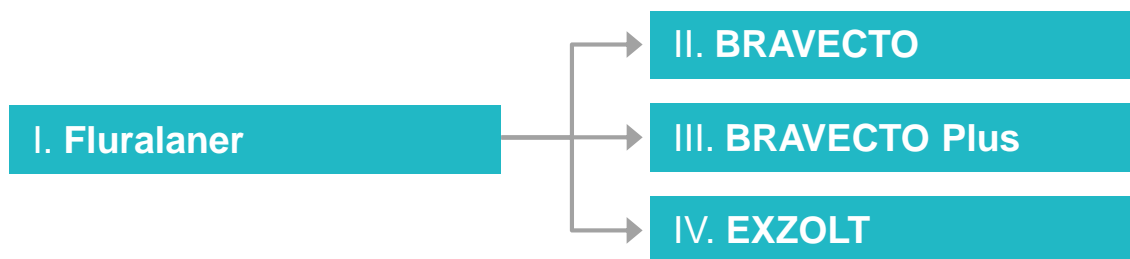
- Distribution by Region



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

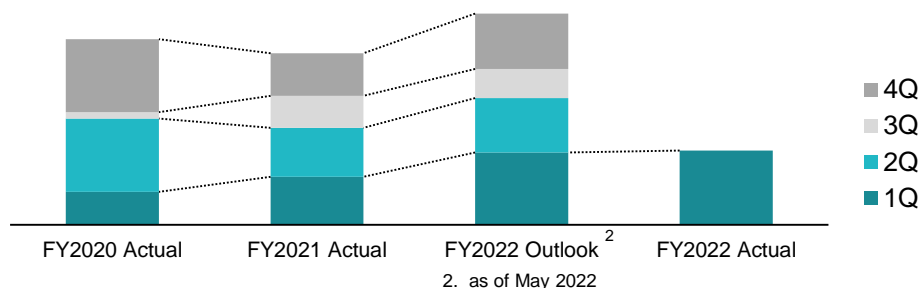
- A poultry medicine against red mite launched by MSD (administered via drinking water)
 - September 2017 EU, June 2018 Korea and Middle East etc., July 2021 Japan
- A cattle medicine
 - March 2022 approved in Brazil, May 2022 approved in Mexico

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

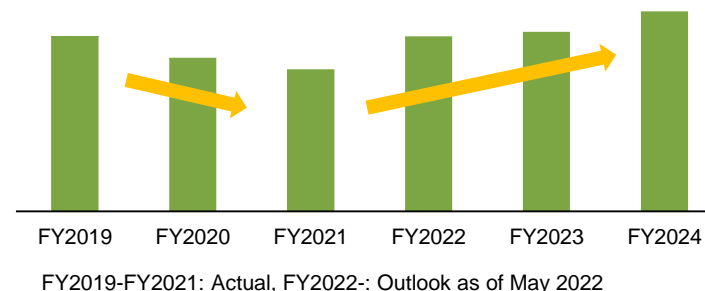
FY2020-FY2022 Fluralaner Quarterly Sales (including royalties)



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 p68).

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

(No change from FY2021 Presentation Materials announced in May 2022)



- 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 mid-term plan for FY2027 includes the forecast of patent extensions and expirations by country (see p31) 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)

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

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

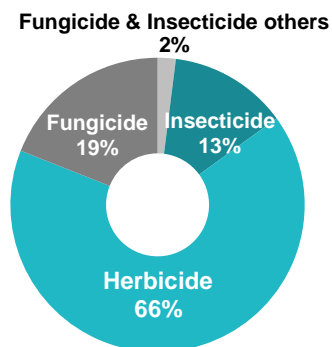
- Average amortized period fixed at 5 or 16 years(straight-line method)(weighted average 15.6 years) after the accounting audit. (tentatively calculated under the condition of 5-year amortization period before audit)

(¥billion)

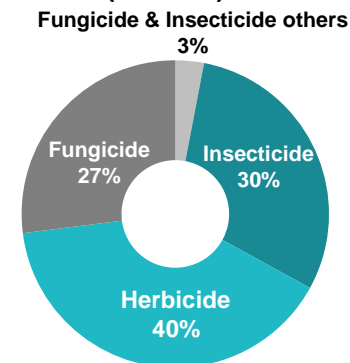
| | OP | OP + Amortization |
|-----------------|-----|-------------------|
| FY2020 | 0.3 | 0.4 |
| FY2021 | 0.7 | 1.1 |
| Total FY2022-26 | 3.6 | 5.3 |

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 is scheduled to start operation in 4Q FY2022 (changed from the initial plan of 2Q FY2022 due to delay in delivery of some equipment)

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 | 4Q 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 75.05% |
| 2021 PL | Sales INR 13,012 million, Net Income after Taxes INR 1,760 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 Certis Agriscience, a related company of Bharat group, distributes certain Nissan Chemical's products(TARGA, PULSOR, PERMIT) in India |

Funding Plan (as of May 2022)

| (¥billion) | | | |
|----------------------------|-----|--|-----|
| 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 |

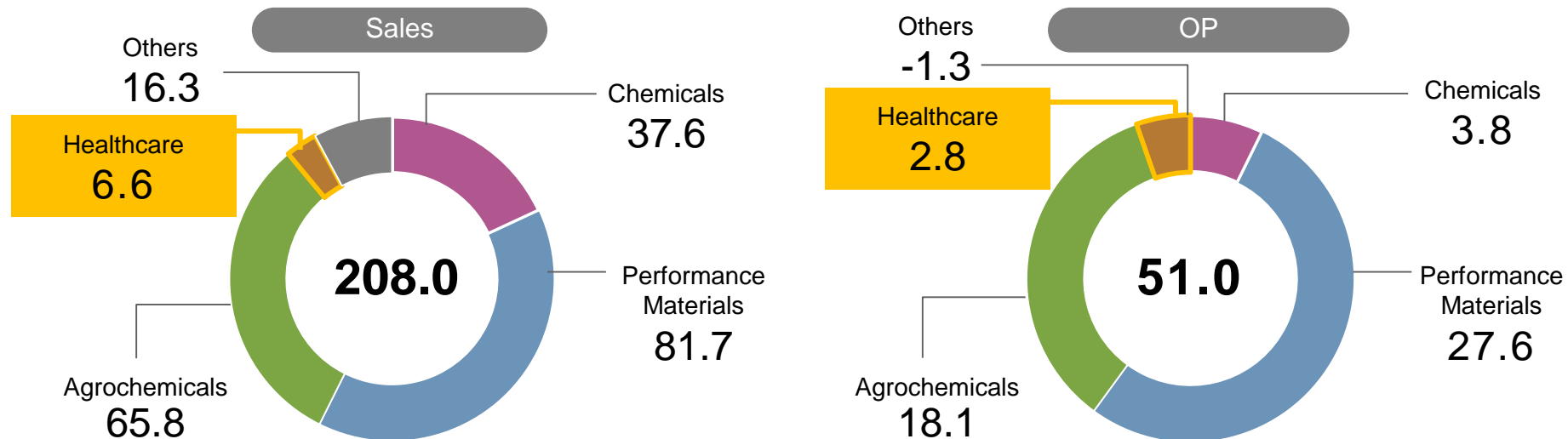
Expected Net Contribution to Nissan Chemical's Consolidated PL

| (¥billion) | | | | | |
|------------|------|------|------|------|------|
| FY | 2021 | 2022 | 2023 | 2024 | 2025 |
| OP | - | -0.2 | 1.0 | 2.4 | 2.9 |

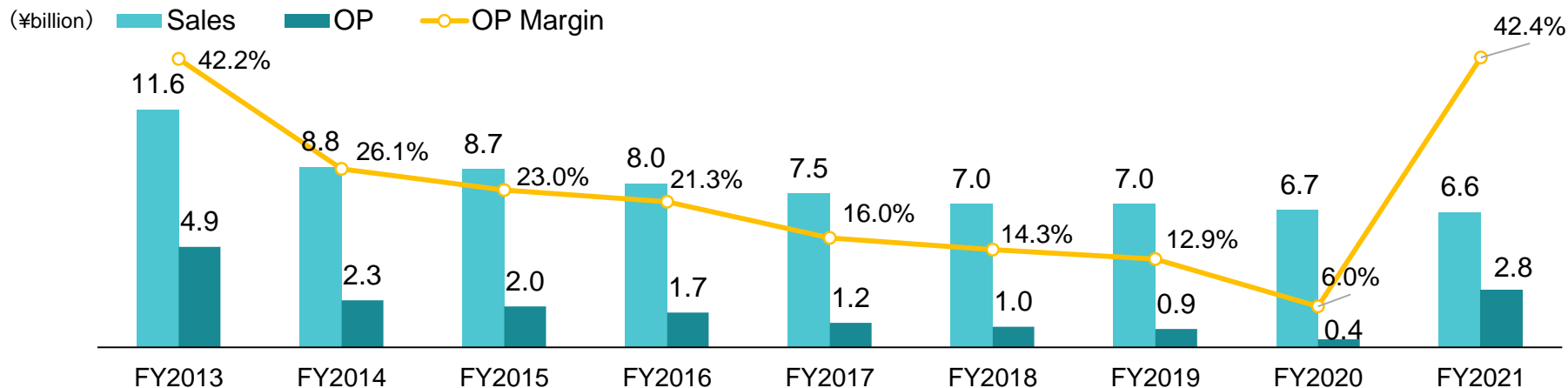
Advantages to Nissan Chemical

- 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)¹



Healthcare – Recent Financial Performance



1. Organizational change was implemented in April, 2022. FY2013-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

【1Q】Sales up ¥0.58 billion, OP up ¥0.46 billion

(¥billion)

| | 1Q FY2021 Actual | 1Q FY2022 Actual | YOY Change |
|------------------|------------------|------------------|------------|
| Sales | 1.07 | 1.65 | +0.58 |
| Healthcare | 0.63 | 0.83 | +0.20 |
| Custom Chemicals | 0.44 | 0.82 | +0.38 |
| OP | 0.30 | 0.76 | +0.46 |
| Healthcare | 0.20 | 0.39 | +0.19 |
| Custom Chemicals | 0.10 | 0.37 | +0.27 |

1. Figures in p12, p13, p44, p45, p66, p67 may not match the numbers on this page due to rounding

2. 1Q FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

【1Q】Sales up, OP up

Healthcare

LIVALO

Sales up (domestic & export up)

【1Q】Sales up, OP up

Custom
Chemicals

Sales up due to shipment skewed to 1Q FY2022

Sales Growth Rate of Main Products

| | 1Q FY2022 Actual | |
|---------------------|------------------|--|
| | YOY Change | vs. Outlook as of May 2022 (undisclosed) |
| LIVALO | +37% | Above |
| Custom Chemicals | +86% | Above |
| Total segment | +55% | Above |

1Q FY2022 Financial Results Compared to Outlook

【1Q】Sales above target ¥0.06 billion, OP above target ¥0.14 billion

(¥billion)

| | 1Q FY2022 Outlook as of May 2022 | 1Q FY2022 Actual | vs. Outlook |
|------------------|-------------------------------------|------------------|--------------|
| Sales | 1.59 | 1.65 | +0.06 |
| Healthcare | 0.79 | 0.83 | +0.04 |
| Custom Chemicals | 0.80 | 0.82 | +0.02 |
| OP | 0.62 | 0.76 | +0.14 |
| Healthcare | 0.33 | 0.39 | +0.06 |
| Custom Chemicals | 0.29 | 0.37 | +0.08 |

1. Figures in p12, p13, p44, p45, p66, p67 may not match the numbers on this page due to rounding

【1Q】Sales above target, OP above target

Healthcare

LIVALO

Sales above target
(domestic below target, export above target)

【1Q】Sales above target, OP above target

Custom
Chemicals

Generic APIs above target

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.

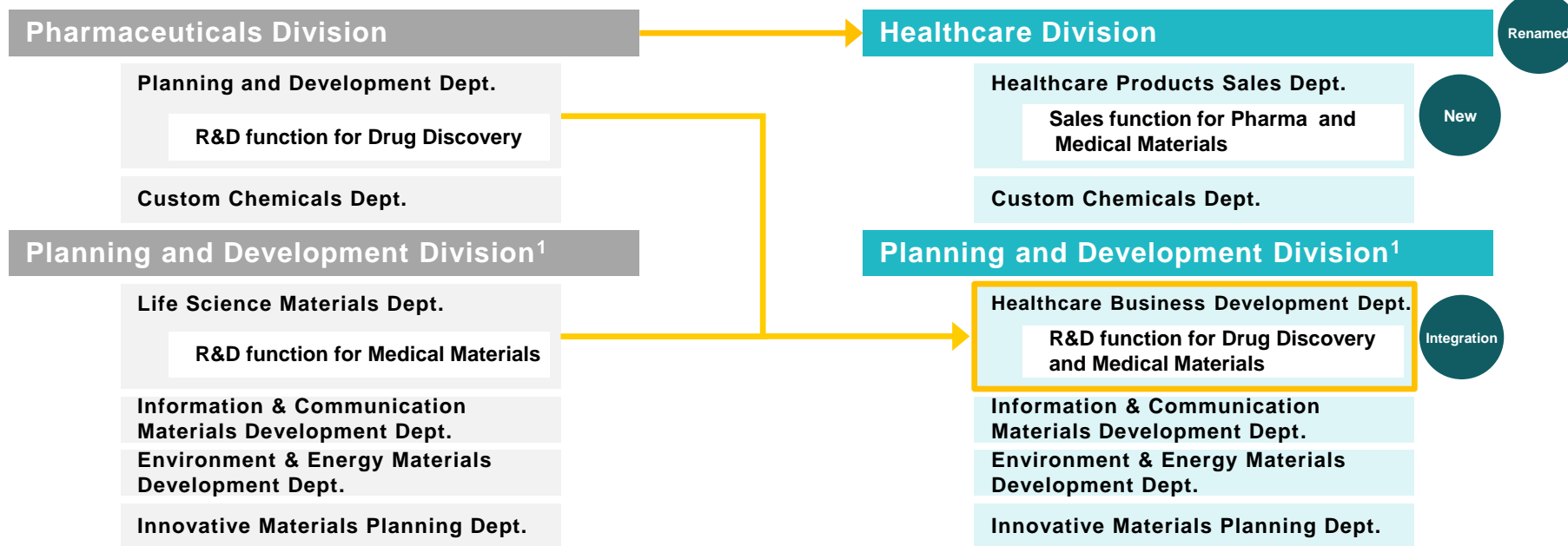
Organizational Change in “Pharmaceuticals Div.” and “Planning and Development Div.”

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 “Adjustment” segment.

Sales and OP for Planning and Development Division in FY2021 actual, FY2022, 2024, 2027 Outlook are disclosed in p56

Impact of Organizational Changes

FY2021 OP by Segment

(¥billion)

| | FY2021 Actual (Before organizational change) | | | | | FY2021 Actual (After organizational change) | | | | | Change | | | | |
|-----------------------|---|------------|-------------|-------------|-------------|--|------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total |
| Chemicals | 1.3 | -0.1 | 1.3 | 1.3 | 3.8 | 1.3 | -0.1 | 1.3 | 1.3 | 3.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Performance Materials | 7.0 | 6.2 | 7.6 | 6.9 | 27.7 | 6.9 | 6.2 | 7.6 | 6.9 | 27.6 | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 |
| Agrochemicals | 4.1 | 2.9 | 3.1 | 8.2 | 18.3 | 4.0 | 2.9 | 3.0 | 8.2 | 18.1 | -0.1 | 0.0 | -0.1 | 0.0 | -0.2 |
| Healthcare | -0.2 | 0.7 | 0.4 | 0.0 | 0.9 | 0.3 | 1.1 | 0.9 | 0.5 | 2.8 | +0.5 | +0.4 | +0.5 | +0.5 | +1.9 |
| Healthcare | -0.3 | -0.2 | -0.3 | -0.3 | -1.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.8 | +0.5 | +0.4 | +0.5 | +0.5 | +1.9 |
| Custom Chemicals | 0.1 | 0.8 | 0.8 | 0.3 | 2.0 | 0.1 | 0.8 | 0.8 | 0.3 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trading | 0.7 | 0.6 | 0.8 | 0.8 | 2.9 | 0.7 | 0.6 | 0.8 | 0.8 | 2.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 0.1 | -0.1 | 0.2 | 0.5 | 0.7 | 0.1 | -0.1 | 0.2 | 0.5 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjustment | -1.1 | -0.8 | -0.8 | -0.6 | -3.3 | -1.4 | -1.2 | -1.2 | -1.1 | -4.9 | -0.3 | -0.4 | -0.4 | -0.5 | -1.6 |
| Total | 11.9 | 9.4 | 12.6 | 17.1 | 51.0 | 11.9 | 9.4 | 12.6 | 17.1 | 51.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

1. Figures of Healthcare for FY2021(Before organizational change) are for old segmentation
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: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others, Adjustment: Planning & Development Division and others
4. Sales and OP for Planning & Development Division in FY2021 actual, FY2022 Outlook(as of August, 2022) are disclosed in p56
5. No impact of organizational changes on sales

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 as of May 2022 | 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 as of May 2022 | 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 as of May 2022 | 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 |
| HC New | 0.04 | 0.00 | 0.44 | 2.08 |
| CC Existing | 4.17 | 3.81 | 5.06 | 5.79 |
| CC 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 |

1. FY2021 Actual figures are based on old segmentation

Contents

01

1Q FY2022 Financial Results

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Summary of FY2022 Outlook

1H and Full-Year Outlook is Revised Upward

The Outlook is calculated by adding up the results for 1Q and the outlook for 2-4Q announced in May 2022

(However, Display Materials in 2Q are revised down by Sales: ¥1.6 billion, OP: ¥1.1 billion,

Extraordinary Income (Gain on sales of investment securities) ¥0.3 billion originally planned for 1Q has been revised to be recorded in 2H)

| | |
|----|---------------|
| 1H | vs. 1H FY2021 |
|----|---------------|

- Sales up ¥13.6 billion(+15%)
- OP up ¥6.3 billion(+29%), Net Income up ¥4.9 billion(+30%)
- OP, Ordinary Income and Net Income expected to renew the highest results for 2 consecutive years.

| | |
|-----------|------------|
| Full-Year | vs. FY2021 |
|-----------|------------|

- Sales up ¥15.3 billion(+7%)
- OP up ¥4.1 billion(+8%), Net Income up ¥2.9 billion(+8%)
- 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 19.6%

| | |
|------------------|----------------------------|
| 1H and Full-Year | vs. Outlook as of May 2022 |
|------------------|----------------------------|

- Sales above target ¥4.3 billion
- OP above target ¥1.6 billion, Net Income above target ¥2.1 billion

Shareholders Return (Full-Year Outlook)

- Based on Mid-Term Plan announced in May 2022, Total Payout Ratio Target is 75% and Dividend Payout Ratio Target is 55%
- Completed a ¥5.0 billion share repurchase (period: May - June 2022)
- **Annual dividend increased to ¥162/share from the previous outlook of ¥154/share (Both 1H and Full-Year dividends increased by ¥4/share each)**

| | |
|----------------------------------|--|
| Dividend | ¥162/share (Full-Year) 1H ¥70/share, 2H ¥92/share (Dividend Payout Ratio : 54.8%) [vs. FY2021]1H up ¥20/share, 2H up ¥20/share [vs. Outlook as of May 2022]1H up ¥4/share, 2H up ¥4/share |
| Share Repurchase | Completed ¥5.0 billion, 683 thousand shares (period: May - June 2022) (FY2021 Actual: ¥12.0 billion, 2,033 thousand shares) |
| Share Cancellation | Cancelled 1.0 million shares in May 2022 |
| Total Payout Ratio Target | 75% (66.7% based on ¥162/share dividend and ¥5.0 billion share repurchase) |

Full Year FY2022 Outlook

(¥billion)

| | FY2021 Actual | | | | | FY2022 Outlook as of May 2022 | | | | | FY2022 Outlook as of Aug 2022 | | | | |
|---------------------------------------|---------------|-------|--------|--------|--------|----------------------------------|-------|--------|--------|--------|----------------------------------|-------|--------|--------|--------|
| | 1Q | 2Q | 1H | 2H | Total | 1Q | 2Q | 1H | 2H | Total | 1Q Actual | 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 | 58.3 | 47.1 | 105.4 | 117.9 | 223.3 |
| Operating Profit | 11.9 | 9.4 | 21.3 | 29.7 | 51.0 | 14.6 | 11.4 | 26.0 | 27.5 | 53.5 | 17.3 | 10.3 | 27.6 | 27.5 | 55.1 |
| Non-Operating Income/Expenses | 0.4 | 0.6 | 1.0 | 1.7 | 2.7 | 0.6 | -0.3 | 0.3 | 0.3 | 0.6 | 2.2 | -0.3 | 1.9 | 0.3 | 2.2 |
| Ordinary Income | 12.3 | 10.0 | 22.3 | 31.4 | 53.7 | 15.2 | 11.1 | 26.3 | 27.8 | 54.1 | 19.5 | 10.0 | 29.5 | 27.8 | 57.3 |
| Extraordinary Income/Loss | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.3 | 0.0 | 0.3 | 0.2 | 0.5 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 |
| Net Income ¹ | 8.8 | 7.5 | 16.3 | 22.5 | 38.8 | 11.2 | 8.1 | 19.3 | 20.3 | 39.6 | 13.9 | 7.3 | 21.2 | 20.5 | 41.7 |
| EBITDA ² | 14.2 | 11.8 | 26.0 | 35.2 | 61.2 | - | - | 31.2 | 33.9 | 65.1 | 19.7 | 13.1 | 32.8 | 33.9 | 66.7 |
| EPS (¥/share) | 61.73 | 52.21 | 113.94 | 157.94 | 271.88 | - | - | 136.77 | 144.13 | 280.90 | 98.13 | 51.99 | 150.12 | 145.71 | 295.83 |
| Dividend (¥/share) | - | - | 50 | 72 | 122 | - | - | 66 | 88 | 154 | - | - | 70 | 92 | 162 |
| Dividend payout ratio (%) | - | - | - | - | 44.9% | - | - | - | - | 54.8% | - | - | - | - | 54.8% |
| Total amount of Dividend | - | - | 7.1 | 10.2 | 17.3 | - | - | 9.3 | 12.4 | 21.7 | - | - | 9.9 | 12.9 | 22.8 |
| OP Margin | 25.5% | 20.9% | 23.2% | 25.5% | 24.5% | 27.9% | 23.4% | 25.7% | 23.3% | 24.4% | 29.6% | 21.9% | 26.2% | 23.3% | 24.7% |
| ROE | - | - | - | - | 19.2% | - | - | - | - | 18.7% | - | - | - | - | 19.6% |
| FX Rate (¥/\$) | 110 | 110 | 110 | 115 | 112 | 115 | 115 | 115 | 115 | 115 | 130 | 115 | 115 | 115 | 115 |
| Crude Oil (JCC) (\$/bbl) ³ | 67 | 73 | 70 | 83 | 77 | 88 | 88 | 88 | 88 | 88 | 111 | 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

FY2022 Financial Outlook YOY Change by Segment

(¥billion)

| | | FY2021 Actual | | | | | FY2022 Outlook as of Aug 2022 | | | | | YOY Change | | | | |
|--------------------------------|-------|---------------|------|------|-------|-------|----------------------------------|------|-------|-------|-------|-----------------|----------------|-----------------|----------------|----------------|
| | | 1Q | 2Q | 1H | 2H | Total | 1Q Actual | 2Q | 1H | 2H | Total | 1Q Actual | 2Q | 1H | 2H | Total |
| Chemicals | Sales | 8.8 | 8.3 | 17.1 | 20.5 | 37.6 | 10.4 | 9.1 | 19.5 | 19.3 | 38.8 | +1.6 (+18%) | +0.8 (+10%) | +2.4 (+14%) | -1.2 (-6%) | +1.2 (+3%) |
| | OP | 1.3 | -0.1 | 1.2 | 2.6 | 3.8 | 1.7 | -0.2 | 1.5 | 0.8 | 2.3 | +0.4 (+36%) | -0.1 (-) | +0.3 (+24%) | -1.8 (-68%) | -1.5 (-40%) |
| Performance Materials | Sales | 20.0 | 19.6 | 39.6 | 42.1 | 81.7 | 21.8 | 20.6 | 42.4 | 46.5 | 88.9 | +1.8 (+9%) | +1.0 (+5%) | +2.8 (+7%) | +4.4 (+10%) | +7.2 (+9%) |
| | OP | 6.9 | 6.2 | 13.1 | 14.5 | 27.6 | 7.9 | 6.3 | 14.2 | 16.0 | 30.2 | +1.0 (+14%) | +0.1 (+2%) | +1.1 (+8%) | +1.5 (+10%) | +2.6 (+9%) |
| Agrochemicals | Sales | 13.4 | 11.6 | 25.0 | 40.8 | 65.8 | 19.7 | 13.5 | 33.2 | 42.2 | 75.4 | +6.3 (+47%) | +1.9 (+17%) | +8.2 (+33%) | +1.4 (+3%) | +9.6 (+15%) |
| | OP | 4.0 | 2.9 | 6.9 | 11.2 | 18.1 | 6.8 | 3.8 | 10.6 | 10.0 | 20.6 | +2.8 (+69%) | +0.9 (+37%) | +3.7 (+56%) | -1.2 (-12%) | +2.5 (+14%) |
| Healthcare | Sales | 1.1 | 2.2 | 3.3 | 3.3 | 6.6 | 1.7 | 1.4 | 3.1 | 2.9 | 6.0 | +0.6 (+55%) | -0.8 (-37%) | -0.2 (-8%) | -0.4 (-10%) | -0.6 (-9%) |
| | OP | 0.3 | 1.1 | 1.4 | 1.4 | 2.8 | 0.8 | 0.5 | 1.3 | 1.0 | 2.3 | +0.5 (+153%) | -0.6 (-58%) | -0.1 (-12%) | -0.4 (-29%) | -0.5 (-21%) |
| Trading, Others, Adjustment | Sales | 3.2 | 3.6 | 6.8 | 9.5 | 16.3 | 4.7 | 2.5 | 7.2 | 7.0 | 14.2 | +1.5 | -1.1 | +0.4 | -2.5 | -2.1 |
| | OP | -0.6 | -0.7 | -1.3 | 0.0 | -1.3 | 0.1 | -0.1 | 0.0 | -0.3 | -0.3 | +0.7 | +0.6 | +1.3 | -0.3 | +1.0 |
| Total | Sales | 46.5 | 45.3 | 91.8 | 116.2 | 208.0 | 58.3 | 47.1 | 105.4 | 117.9 | 223.3 | +11.8 (+25%) | +1.8 (+4%) | +13.6 (+15%) | +1.7 (+2%) | +15.3 (+7%) |
| | OP | 11.9 | 9.4 | 21.3 | 29.7 | 51.0 | 17.3 | 10.3 | 27.6 | 27.5 | 55.1 | +5.4 (+45%) | +0.9 (+9%) | +6.3 (+29%) | -2.2 (-7%) | +4.1 (+8%) |

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others,
Adjustment: Planning & Development Division and others (see p66,67 for breakdown)

3. Sales and OP for Planning & Development Division in FY2021 Actual, FY2022 Outlook as of Aug 2022 are disclosed on p56

4. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

FY2022 Financial Outlook

Compared to Outlook (as of May 2022) by Segment

(¥billion)

| | | FY2022 Outlook as of May 2022 | | | | | FY2022 Outlook as of Aug 2022 | | | | | vs. Outlook as of May 2022 |
|--------------------------------|-------|----------------------------------|------|-------|-------|-------|----------------------------------|------|-------|-------|-------|-------------------------------|
| | | 1Q | 2Q | 1H | 2H | Total | 1Q Actual | 2Q | 1H | 2H | Total | 1H · Total |
| Chemicals | Sales | 10.2 | 9.1 | 19.3 | 19.3 | 38.6 | 10.4 | 9.1 | 19.5 | 19.3 | 38.8 | +0.2 |
| | OP | 1.6 | -0.2 | 1.4 | 0.8 | 2.2 | 1.7 | -0.2 | 1.5 | 0.8 | 2.3 | +0.1 |
| Performance Materials | Sales | 21.2 | 22.2 | 43.4 | 46.5 | 89.9 | 21.8 | 20.6 | 42.4 | 46.5 | 88.9 | -1.0 |
| | OP | 7.1 | 7.4 | 14.5 | 16.0 | 30.5 | 7.9 | 6.3 | 14.2 | 16.0 | 30.2 | -0.3 |
| Agrochemicals | Sales | 17.2 | 13.5 | 30.7 | 42.2 | 72.9 | 19.7 | 13.5 | 33.2 | 42.2 | 75.4 | +2.5 |
| | OP | 5.7 | 3.8 | 9.5 | 10.0 | 19.5 | 6.8 | 3.8 | 10.6 | 10.0 | 20.6 | +1.1 |
| Healthcare | Sales | 1.6 | 1.4 | 3.0 | 2.9 | 5.9 | 1.7 | 1.4 | 3.1 | 2.9 | 6.0 | +0.1 |
| | OP | 0.6 | 0.5 | 1.1 | 1.0 | 2.1 | 0.8 | 0.5 | 1.3 | 1.0 | 2.3 | +0.2 |
| Trading, Others, Adjustment | Sales | 2.2 | 2.5 | 4.7 | 7.0 | 11.7 | 4.7 | 2.5 | 7.2 | 7.0 | 14.2 | +2.5 |
| | OP | -0.4 | -0.1 | -0.5 | -0.3 | -0.8 | 0.1 | -0.1 | 0.0 | -0.3 | -0.3 | +0.5 |
| Total | Sales | 52.4 | 48.7 | 101.1 | 117.9 | 219.0 | 58.3 | 47.1 | 105.4 | 117.9 | 223.3 | +4.3 |
| | OP | 14.6 | 11.4 | 26.0 | 27.5 | 53.5 | 17.3 | 10.3 | 27.6 | 27.5 | 55.1 | +1.6 |

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others,
Adjustment: Planning & Development Division and others (see p66,67 for breakdown)

3. Sales and OP for Planning & Development Division in FY2021 Actual, FY2022 Outlook as of Aug 2022 are disclosed on p56

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E

(Environment)

April 2021 Announced its Diversity Statement and Diversity Vision

November 2021 Published [“Integrated Report 2021”](#)

S

(Social)

May 2022 Decided to work on realization of carbon neutrality by 2050
Established new long-term target for reducing greenhouse gas (GHG) emissions(see p54)

June 2022 (plan) Plan to reduce GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)

G

(Governance)

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.

June 2021 One female Outside Director added, as a result, the Board of Directors includes 4 Outside Directors out of 10

June 2022 Announced incorporating ESG indicators into the officers' remuneration system
(65% base remuneration, 28% performance-related remuneration, 7% remuneration in stock.
Out of the 28% performance-related remuneration, 90% is profit-linked and 10% is ESG-linked.)

June 2022 Updated and disclosed ["Corporate Governance Report"](#) including skills matrix for the board

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

- June 2022: Selected as a constituent of FTSE4Good Index Series, FTSE Blossom Japan Index for 3 consecutive years
- June 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

- June 2022
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 Agenda¹

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

Maintain at least 55%

1. A plan to pursue "what we can do for the future of the globe and human" by providing products and services that contribute to solving social issues

▶▶▶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

Strengthening of Corporate Governance, Risk Management and Compliance

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 |
|--|--|
| <p>Supply of environmental-friendly products and services</p> | <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 |
| <p>Contribution to smart society</p> | <ul style="list-style-type: none"> ■ Supply materials that contribute to higher capacity/speed of data communication and sensing |
| <p>Contribution to food issues</p> | <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 |
| <p>Contribution to improvement of the quality of life</p> | <ul style="list-style-type: none"> ■ Supply disinfectants for drinking water ■ Contribute to maintaining the health of companion animals |
| <p>Contribution to health issues</p> | <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

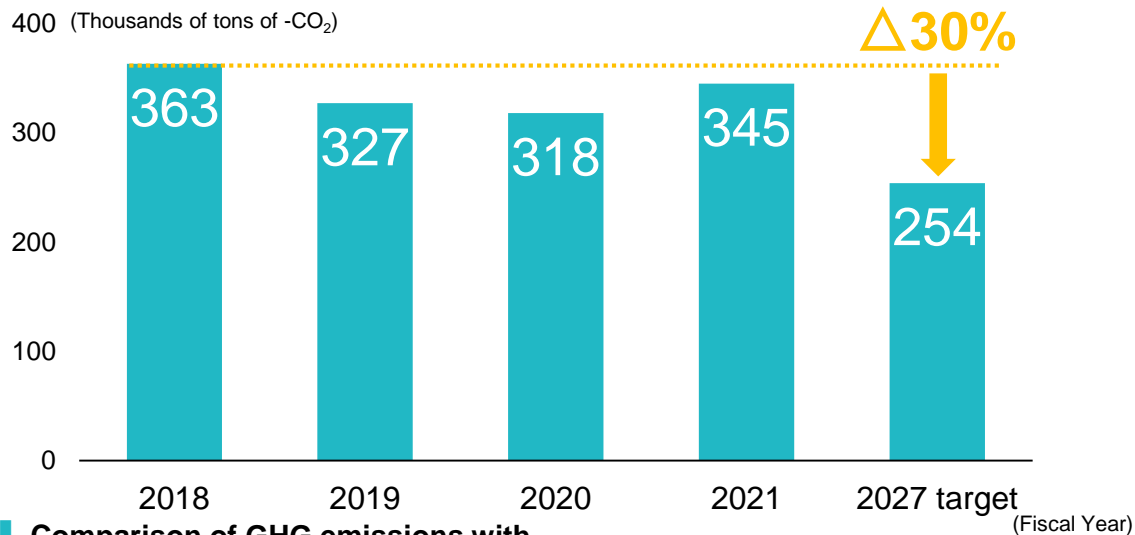
| Materiality Factor | Major Initiatives | Target for FY2027 |
|---|---|--|
| Mitigation of climate change | <ul style="list-style-type: none"> Reduce GHG emissions | <p>GHG emissions: Reduce by at least 30% compared to FY2018 (3 years ahead of the target for FY2030)</p> |
| Promotion of occupational 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 |

Reduction of GHG Emissions

- Focus on improving production technology and adopting renewable energy etc., in addition to conventional efforts, to achieve carbon neutrality by 2050
- GHG emissions in FY2021 increased by 27,000 tons-CO₂ compared to FY2020

(Factors for increase)

- Increase in production of ammonia related products (Increase in CO₂ emissions, natural gas consumption, and electricity consumption during production)
- Increase in production of nitric acid products (Increase in N₂O emissions during production)
- Increase in use of non-renewable electricity due to construction work of Toyama Kyodo Jikahatsuden (decrease in hydroelectric power supply)



Initiatives in Mid-Term Plan Vista2027 (FY2022-2027)

- 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

Comparison of GHG emissions with general chemical manufacturers

| FY | 2011 | 2018 | 2019 | 2020 | 2021 |
|-----------------|------|------|------|------|------|
| Nissan Chemical | 448 | 363 | 327 | 318 | 345 |

Average of 4 major general chemical manufacturers (non-consolidated basis)

| | | | | |
|--|---|---|-------|-------|
| | - | - | 5,845 | 5,581 |
|--|---|---|-------|-------|

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

Sales and Income Targets by Segment

(¥billion)

| | | FY2021 Actual ¹ | FY2022 Outlook ² | FY2024 Mid-Term Plan | FY2027 Mid-Term Plan | FY2024 vs. FY2021 | FY2027 vs. FY2021 |
|---|-------|-------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Chemicals | Sales | 37.6 | 38.8 | 37.6 | 40.1 | 0.0 | +2.5 |
| | OP | 3.8 | 2.3 | 3.5 | 3.9 | -0.3 | +0.1 |
| Performance Materials | Sales | 81.7 | 88.9 | 102.9 | 117.2 | +21.2 | +35.5 |
| | OP | 27.6 | 30.2 | 32.1 | 38.0 | +4.5 | +10.4 |
| Agrochemicals | Sales | 65.8 | 75.4 | 77.8 | 82.3 | +12.0 | +16.5 |
| | OP | 18.1 | 20.6 | 21.7 | 21.0 | +3.6 | +2.9 |
| Healthcare | Sales | 6.6 | 6.0 | 7.2 | 11.5 | +0.6 | +4.9 |
| | OP | 2.8 | 2.3 | 2.1 | 4.3 | -0.7 | +1.5 |
| Trading, Others, Adjustment | Sales | 16.3 | 14.2 | 29.5 | 33.9 | +13.2 | +17.6 |
| | OP | -1.3 | -0.3 | -0.9 | -0.2 | +0.4 | +1.1 |
| Planning and Development³ | Sales | 0.0 | 0.0 | 1.3 | 4.4 | +1.3 | +4.4 |
| | OP | -4.9 | -5.2 | -4.7 | -4.7 | +0.2 | +0.2 |
| Total | Sales | 208.0 | 223.3 | 255.0 | 285.0 | +47.0 | +77.0 |
| | OP | 51.0 | 55.1 | 58.5 | 67.0 | +7.5 | +16.0 |

1. FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

2. Outlook as of August 2022 3. The figures of Planning and Development Division are internal figures of Trading, Others, Adjustment

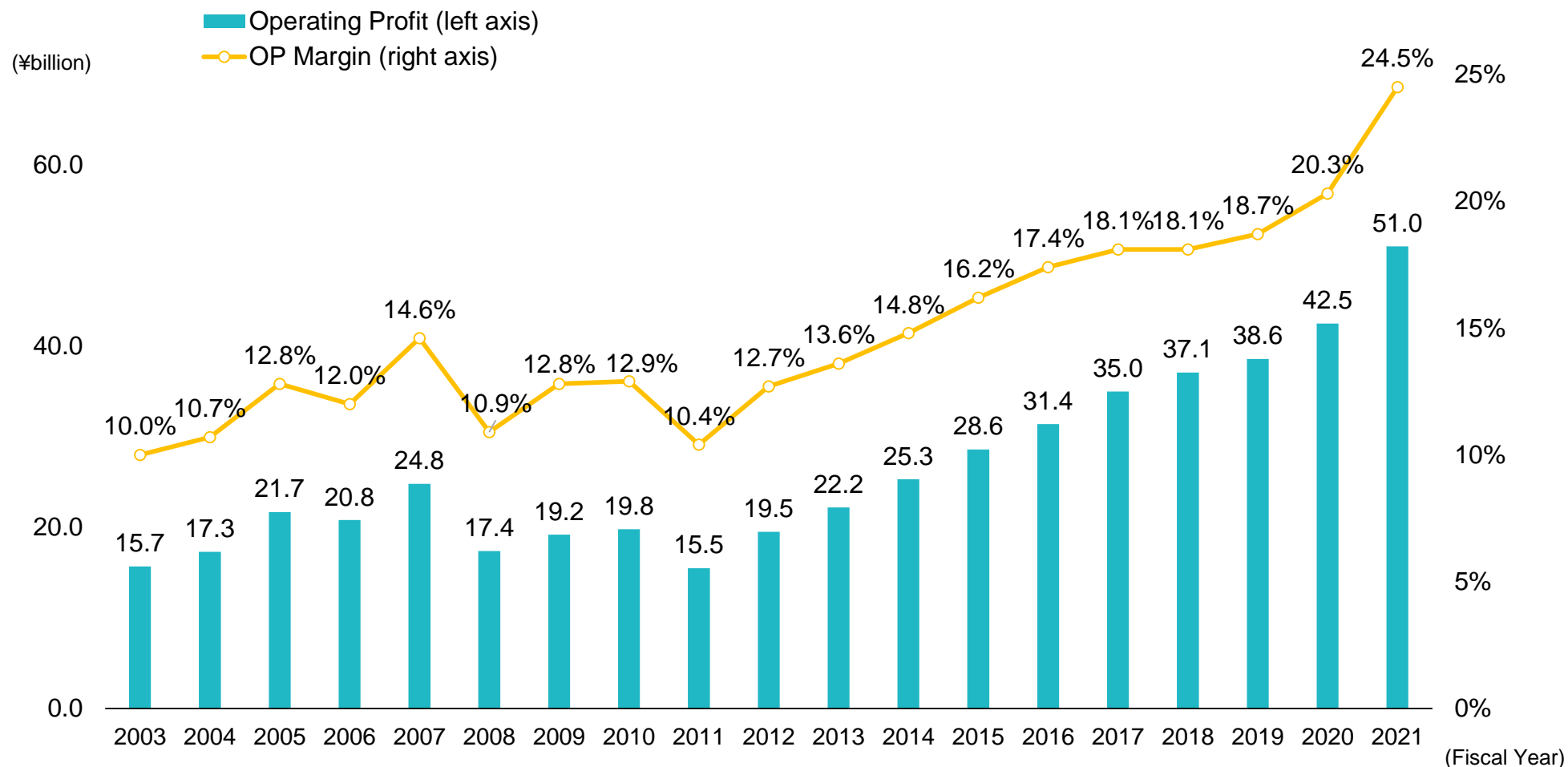
Impact of organizational change regarding Healthcare Div.

(¥billion)

| | FY2024 | FY2027 |
|--|--------|--------|
| R&D expenses (Impact of transfer to Planning and Development Division) | 1.3 | 1.3 |

OP Margin Trend

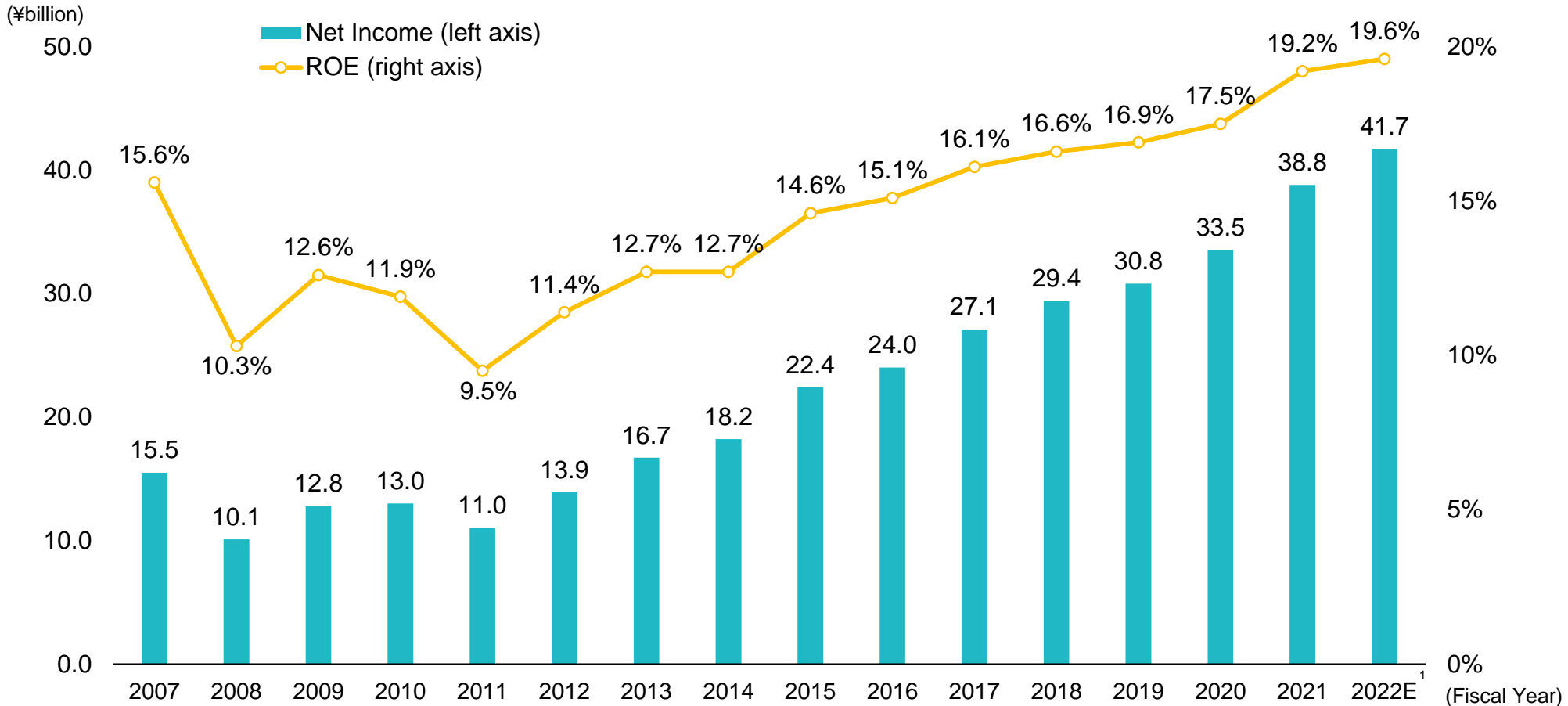
- OP margin has been above 10% for 19 consecutive years (FY2003-2021)
- FY2021 Actual : 24.5%



1. FY2021 Actual: Including effects of changes in accounting policies (see p68)

ROE Trend

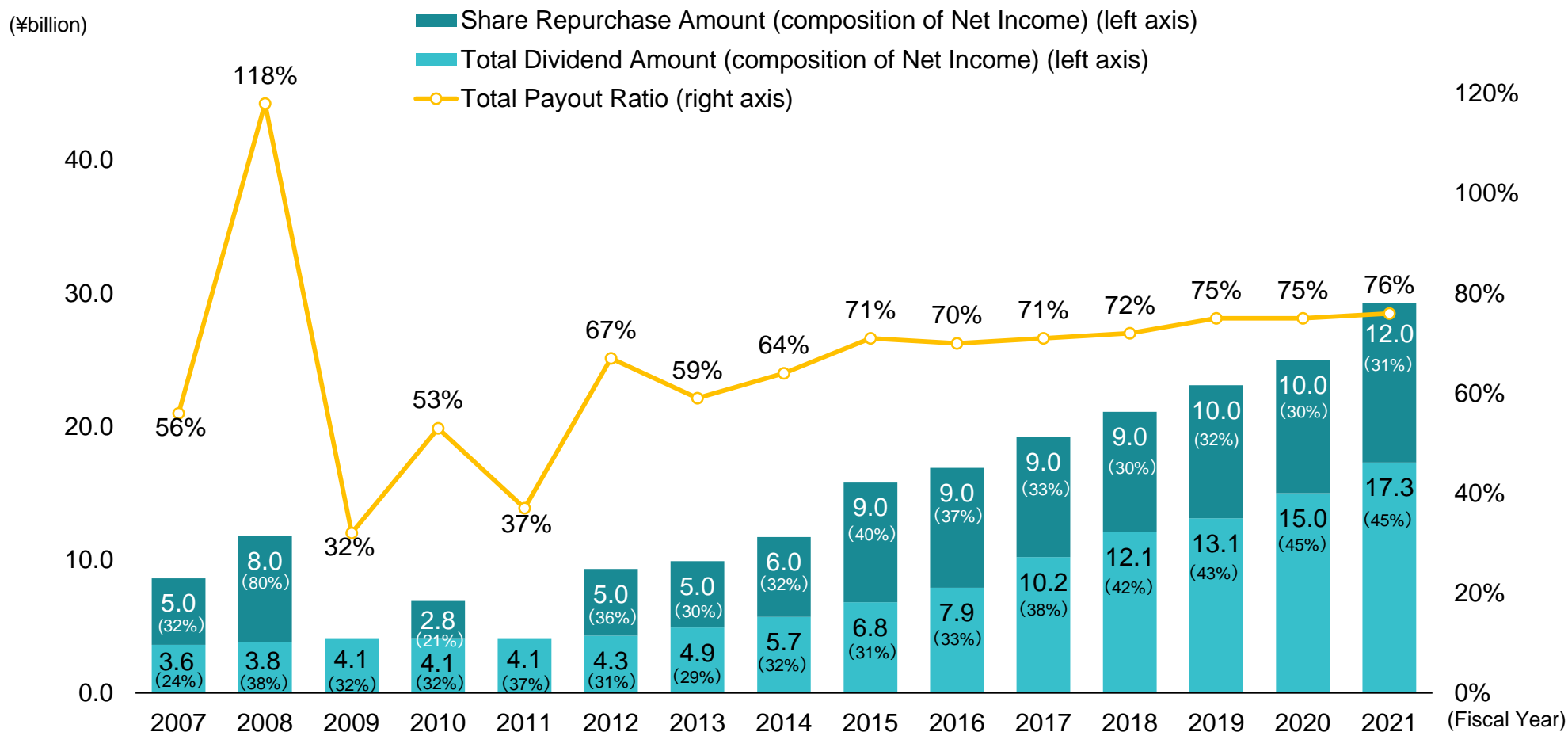
- Position ROE as the most important financial indicator for a long time
- Mid-Term Plan FY2019-2021 Target : Maintain above 16% ⇒ Achieved
- New Mid-Term Plan FY2022-2027 Target: above 18%
- FY2022 Outlook: 19.6%



1. as of Aug 2022

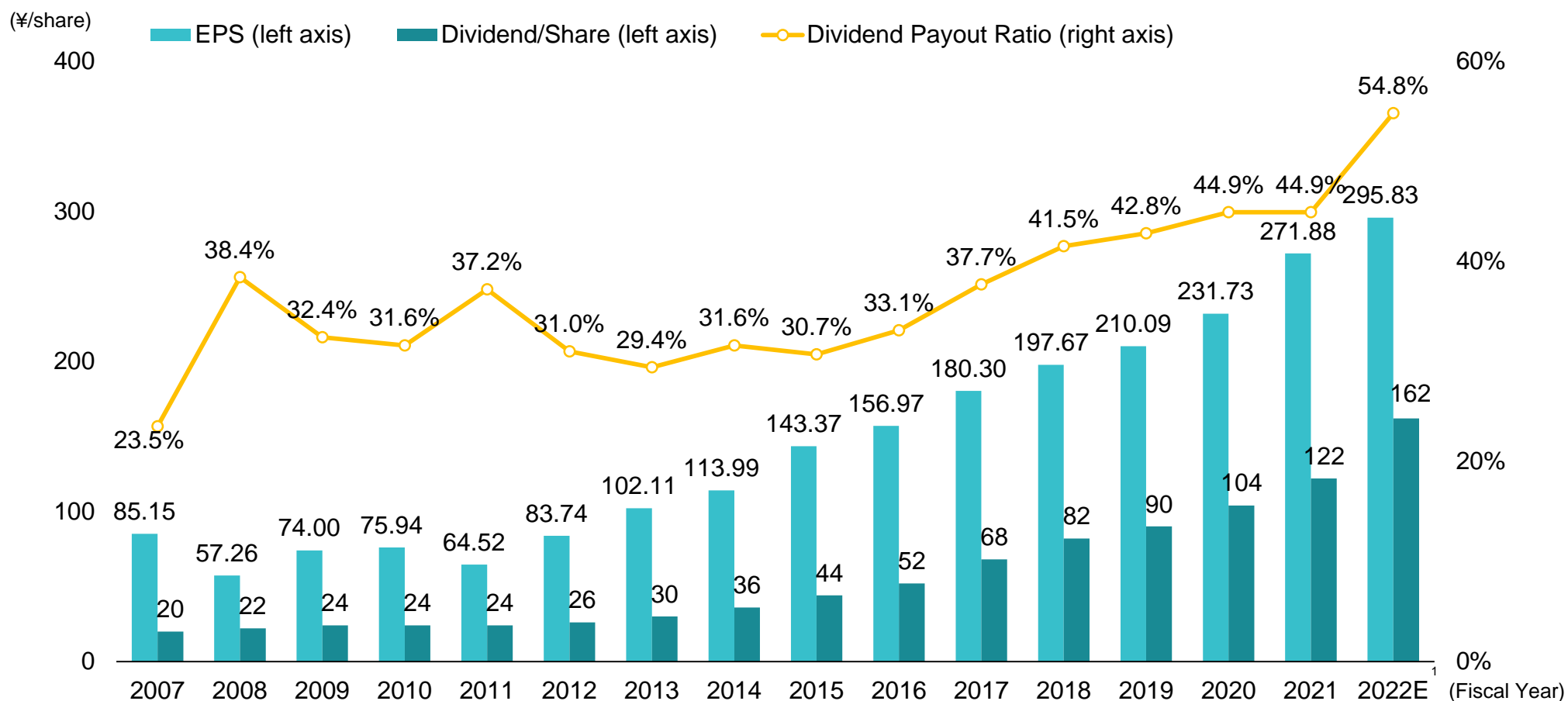
Shareholders Return Policy - Total Payout Ratio

- 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, 44.75 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 (no share repurchase in FY2009 and FY2011)

| 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 - 2022 Share Repurchase and Cancel Program

| Fiscal Year | 2018 | | | 2019 | | | 2020 | | | 2021 | | | 2022 |
|---|-------|-----|-------|-------|-------|-------|-------|-----|-------|-------|-----|-------|-------|
| | 1H | 2H | Total | 1H | 2H | Total | 1H | 2H | Total | 1H | 2H | Total | 1Q |
| Shares purchased (thousand shares) ¹ | 976 | 706 | 1,682 | 1,270 | 868 | 2,138 | 1,334 | 495 | 1,829 | 1,262 | 771 | 2,033 | 683 |
| 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 | 5.0 |
| Shares cancelled ³ (thousand shares) | 2,000 | 0 | 2,000 | 2,000 | 1,000 | 3,000 | 1,000 | 0 | 1,000 | 2,000 | 0 | 2,000 | 1,000 |

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

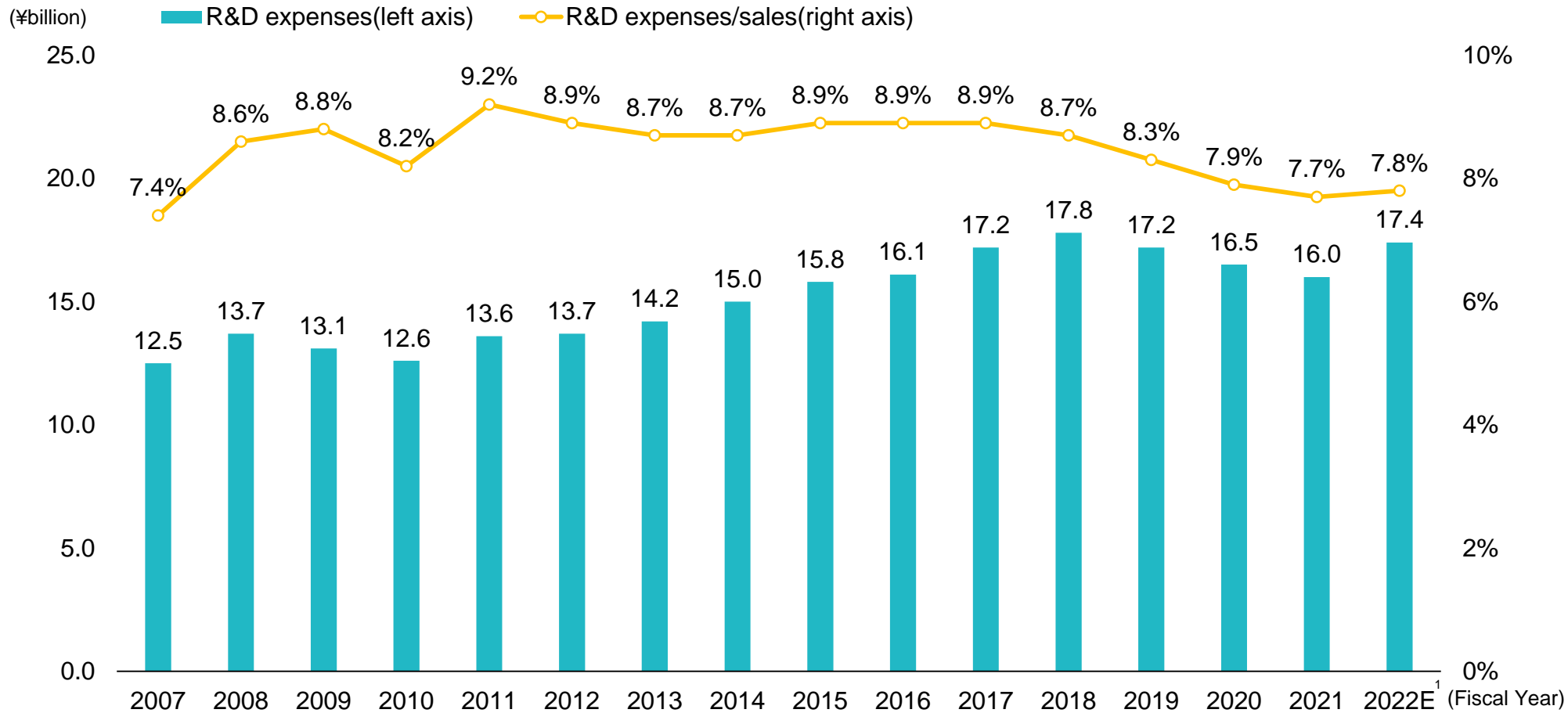
3. Date of Cancellation in 1Q FY2022 is May 10, 2022

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 about 8-9% R&D expenses/sales in recent years



1. as of Aug 2022

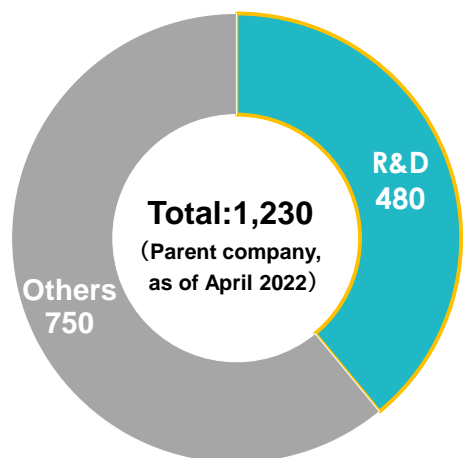
- Achieve high OP margin despite aggressive investment in R&D
- About 40% of professional staff engaged in R&D

R&D Expenses by Segment

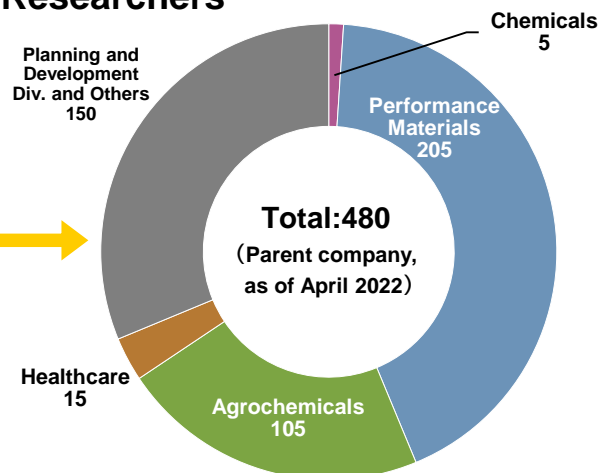
| Segments | FY2022 Outlook as Aug 2022 | | | | |
|---|----------------------------|---------------|--------------|-------------------------|--------------------|
| | Sales (¥billion) | OP (¥billion) | OP Margin | R&D expenses (¥billion) | R&D Expenses/Sales |
| Chemicals | 38.8 | 2.3 | 5.9% | 0.4 | 1.0% |
| Performance Materials | 88.9 | 30.2 | 34.0% | 7.8 | 8.8% |
| Agrochemicals | 75.4 | 20.6 | 27.3% | 4.5 | 6.0% |
| Healthcare | 6.0 | 2.3 | 38.3% | 0.7 | 11.7% |
| Others ¹ | - | - | - | 4.0 | - |
| Total (including Others¹) | 223.3 | 55.1 | 24.7% | 17.4 | 7.8% |

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 | 223.3 |
| 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 | 55.1 |
| 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 | 57.3 |
| 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 | 41.7 |
| 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 | 66.7 |
| OP Margin | 10.0% | 10.7% | 12.8% | 12.0% | 14.6% | 10.9% | 12.8% | 12.9% | 10.4% | 12.7% | 13.6% | 14.8% | 16.2% | 17.4% | 18.1% | 18.1% | 18.7% | 20.3% | 24.5% | 24.7% |
| 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% | 19.6% |
| 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 | 295.83 |
| Dividend (¥/share) | 11 | 11 | 15 | 20 | 20 | 22 | 24 | 24 | 24 | 26 | 30 | 36 | 44 | 52 | 68 | 82 | 90 | 104 | 122 | 162 |
| 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% | 7.8% |

1. FY2021- : Including effects of changes in accounting policies (see p68)

2. FY2022E: as of Aug 2022

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 | 38.8 | |
| 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 | 88.9 | |
| 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 | 75.4 | |
| 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 | 6.0 | |
| 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 | 87.7 | |
| 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 | 26.9 | |
| 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 | -100.4 | |
| 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 | 223.3 | |

| OP (B) | | | | | | | | | | | | | | Segment Assets (FY2021)(D) |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------|
| 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 | 2.3 | 32.1 |
| Performance Materials | 7.9 | 4.8 | 7.2 | 8.8 | 12.0 | 12.0 | 12.5 | 14.2 | 15.0 | 17.0 | 22.4 | 27.6 | 30.2 | 55.1 |
| Agrochemicals | 4.8 | 4.4 | 5.0 | 6.2 | 9.2 | 10.8 | 13.2 | 16.4 | 18.4 | 19.3 | 18.2 | 18.1 | 20.6 | 90.7 |
| Healthcare | 4.4 | 4.6 | 5.2 | 4.9 | 2.3 | 2.0 | 1.7 | 1.2 | 1.0 | 0.9 | 0.4 | 2.8 | 2.3 | 9.1 |
| 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 | 2.7 | 31.5 |
| 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 | 0.7 | 12.2 |
| Adjustment | -2.1 | -1.5 | -1.9 | -1.9 | -2.4 | -2.4 | -2.5 | -2.6 | -3.2 | -2.7 | -3.3 | -4.9 | -3.7 | 49.0 |
| 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 | 55.1 | 279.7 |

| OP Margin (B)/(A) | | | | | | | | | | | | | | ROA(FY2021) (B)/(D) |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| 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% | 5.9% | 11.8% |
| Performance Materials | 20.8% | 14.1% | 19.3% | 20.6% | 24.3% | 23.2% | 23.7% | 24.1% | 23.8% | 26.0% | 31.3% | 33.8% | 34.0% | 50.1% |
| Agrochemicals | 14.0% | 13.0% | 14.1% | 15.9% | 20.1% | 22.7% | 25.4% | 28.2% | 29.3% | 30.2% | 28.5% | 27.5% | 27.3% | 20.0% |
| Healthcare | 45.8% | 46.0% | 40.9% | 42.2% | 26.1% | 23.0% | 21.3% | 16.0% | 14.3% | 12.9% | 6.0% | 42.4% | 38.3% | 30.8% |
| 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% | 3.1% | 9.2% |
| 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% | 2.6% | 5.7% |
| 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% | 24.7% | 18.2% |

1. FY2010-2011 : Old Segmentation, FY2012- : New Segmentation(after organizational change in June 2011) 2. Including inter-segment sales/transfers 3. FY2019-2022E : New OP method
4. FY2021: Including Sales decrease due to changes in accounting policies (see p68)
5. Trading: Nissei Corporation, Others: Nissan Butsuruyu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others
Adjustment: Planning & Development Division and others
6. Sales and OP for Planning & Development Division in FY2021, FY2022 Outlook(as of Aug 2022) are disclosed in p56
7. Organizational change was implemented in April, 2022. FY2010-2020 Actual figures are based on old segmentation, FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39). Segment Assets (FY2021) are based on old segmentation. 8. 2022E: as of Aug 2022
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 as of Aug 2022 | | | | FY2022 Outlook as of May 2022 | | | |
|------------------------------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------|-------|-------------------------------|-------|-------|--------|-------------------------------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q Actual | 2Q | 2H | Total | 1Q | 2Q | 2H | Total |
| 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 | 10.4 | 9.1 | 19.3 | 38.8 | 10.2 | 9.1 | 19.3 | 38.6 |
| 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 | 4.2 | 3.6 | 7.4 | 15.2 | 3.7 | 3.6 | 7.4 | 14.7 |
| 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 | 6.2 | 5.5 | 11.9 | 23.6 | 6.5 | 5.5 | 11.9 | 23.9 |
| 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 | 21.8 | 20.6 | 46.5 | 88.9 | 21.2 | 22.2 | 46.5 | 89.9 |
| 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 | 19.7 | 13.5 | 42.2 | 75.4 | 17.2 | 13.5 | 42.2 | 72.9 |
| 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 | 1.7 | 1.4 | 2.9 | 6.0 | 1.6 | 1.4 | 2.9 | 5.9 |
| 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 | 2.2 | 0.8 | 0.4 | 0.9 | 2.1 |
| 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 | 0.8 | 1.0 | 2.0 | 3.8 |
| 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 | 23.7 | 20.0 | 44.0 | 87.7 | 19.7 | 20.0 | 44.0 | 83.7 |
| 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 | 6.5 | 6.0 | 14.4 | 26.9 | 6.1 | 6.0 | 14.4 | 26.5 |
| 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 | -25.5 | -23.5 | -51.4 | -100.4 | -23.6 | -23.5 | -51.4 | -98.5 |
| 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 | 58.3 | 47.1 | 117.9 | 223.3 | 52.4 | 48.7 | 117.9 | 219.0 |

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: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others,

Adjustment: Planning & Development Division, and others

5. Sales and OP for Planning & Development Division in FY2021 Actual and FY2022 Outlook as of Aug 2022 are disclosed in p56

6. Organizational change was implemented in April, 2022. FY2019-2020 Actual figures are based on old segmentation (see p38, p39)

Quarterly OP Trend by Segment (FY2019 - FY2022 Outlook)

(¥billion)

| | FY2019 Actual | | | | | FY2020 Actual | | | | | FY2021 Actual | | | | | FY2022 Outlook as of Aug 2022 | | | | FY2022 Outlook as of May 2022 | | | |
|-----------------------|---------------|------------|------------|-------------|-------------|---------------|------------|------------|-------------|-------------|---------------|------------|-------------|-------------|-------------|-------------------------------|-------------|-------------|-------------|-------------------------------|-------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q Actual | 2Q | 2H | Total | 1Q | 2Q | 2H | Total |
| 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 | 1.7 | -0.2 | 0.8 | 2.3 | 1.6 | -0.2 | 0.8 | 2.2 |
| Performance Materials | 4.0 | 4.4 | 4.7 | 3.9 | 17.0 | 5.3 | 5.4 | 6.3 | 5.4 | 22.4 | 6.9 | 6.2 | 7.6 | 6.9 | 27.6 | 7.9 | 6.3 | 16.0 | 30.2 | 7.1 | 7.4 | 16.0 | 30.5 |
| Agrochemicals | 4.5 | 4.9 | -1.8 | 11.7 | 19.3 | 4.0 | 3.8 | -1.3 | 11.7 | 18.2 | 4.0 | 2.9 | 3.0 | 8.2 | 18.1 | 6.8 | 3.8 | 10.0 | 20.6 | 5.7 | 3.8 | 10.0 | 19.5 |
| Healthcare | 0.4 | 0.1 | 0.1 | 0.3 | 0.9 | -0.1 | 0.1 | 0.0 | 0.4 | 0.4 | 0.3 | 1.1 | 0.9 | 0.5 | 2.8 | 0.8 | 0.5 | 1.0 | 2.3 | 0.6 | 0.5 | 1.0 | 2.1 |
| Healthcare | 0.2 | -0.2 | -0.2 | 0.0 | -0.1 | -0.2 | -0.1 | -0.4 | -0.2 | -0.9 | 0.2 | 0.3 | 0.2 | 0.2 | 0.8 | 0.4 | 0.1 | 0.1 | 0.6 | 0.3 | 0.1 | 0.1 | 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 | 0.4 | 0.4 | 0.9 | 1.6 | 0.3 | 0.4 | 0.9 | 1.6 |
| 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 | 0.9 | 0.7 | 2.9 | 1.0 | 0.6 | 1.1 | 2.7 | 0.6 | 0.6 | 1.1 | 2.3 |
| 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 | 0.1 | -0.1 | 0.7 | 0.7 | 0.2 | -0.1 | 0.7 | 0.8 |
| Adjustment | -1.1 | -0.6 | -0.7 | -0.3 | -2.7 | -0.8 | -0.8 | -1.2 | -0.5 | -3.3 | -1.4 | -1.2 | -1.3 | -1.0 | -4.9 | -1.0 | -0.6 | -2.1 | -3.7 | -1.2 | -0.6 | -2.1 | -3.9 |
| 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 | 17.3 | 10.3 | 27.5 | 55.1 | 14.6 | 11.4 | 27.5 | 53.5 |

1. FY2019-2022 Outlook : New OP method (see p65)
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: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Nihon Hiryo, and others
Adjustment: Planning & Development Division, and others
4. Sales and OP for Planning & Development Division in FY2021 Actual and FY2022 Outlook as of Aug 2022 are disclosed in p56
5. Organizational change was implemented in April, 2022. FY2019-2020 Actual figures are based on old segmentation, FY2021 actual has been revised to reflect organizational change in April 2022 (see p38, p39)

Changes in Accounting Policies (from FY2021)

- 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 | ■ 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)

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 product | Fluralaner | active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites) |
| | | | |
| | Healthcare | | LIVALO API |
| | | Custom Chemicals | custom manufacturing and solution proposal business for pharmaceutical companies |

1. AdBlue® is a registered trademark of German Automobile Industry Association (Verband der Automobilindustrie).

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

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