



**Nissan Chemical**  
CORPORATION  
WHERE IT ALL BEGINS

**August 9, 2024**

# Presentation for Investors

**1Q FY2024 (April 1, 2024 - June 30, 2024) Financial Results**

Translation of presentation materials for the conference call held on August 9, 2024

**Presented by DAIMON Hideki**

**Director, Senior Managing Executive Officer & CFO**



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1Q

vs. 1Q Outlook  
as of May 2024

- Sales above target ¥2.5 billion (+4%)
- OP above target ¥2.5 billion (+21%)
- Net Income above target ¥2.3 billion (+25%)

1Q

vs. 1Q FY2023

- Sales up ¥3.8 billion (+7%)
- OP down ¥0.6 billion (-4%)  
(OP up ¥0.1 billion in main segments<sup>1</sup>)
- Net Income down ¥0.6 billion (-5%)

1. Chemicals, Performance Materials, Agrochemicals, Healthcare

Shareholder Returns

- Announced a ¥5.0 billion share repurchase on May 13 and an additional ¥5.0 billion share repurchase on May 28, 2024. Total amount: up to ¥10.0 billion (period: May 2024 – March 2025)

FY2024 Outlook

- FY2024 Outlook for 1H and full year remain unchanged from those announced on May 13, 2024

# 1Q FY2024 Financial Summary Compared to Outlook

(¥billion)

	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
Sales	56.2	58.7	+2.5 (+4%)
Operating Profit	11.9	14.4	+2.5 (+21%)
Non-Operating Income/Expenses	0.3	1.6	+1.3
Foreign exchange Gains/Losses	0.0	1.3	+1.3
Ordinary Income	12.2	16.0	+3.8 (+31%)
Extraordinary Income/Loss	0.0	0.0	0.0
Net Income <sup>1</sup>	9.3	11.6	+2.3 (+25%)
EBITDA <sup>2</sup>	-	18.0	-
EPS (¥/share)	-	83.78	-
OP Margin	21.2%	24.6%	+3.4pt
FX Rate (¥/\$)	145	156	-
Crude Oil (JCC) (\$/bbl) <sup>3</sup>	82	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

# 1Q FY2024 Financial Summary YOY Change

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Sales	54.9	58.7	+3.8 (+7%)
Operating Profit	15.0	14.4	-0.6 (-4%)
Non-Operating Income/Expenses	2.0	1.6	-0.4
Foreign exchange Gains/Losses	1.5	1.3	-0.2
Ordinary Income	17.0	16.0	-1.0 (-6%)
Extraordinary Income/Loss	0.0	0.0	0.0
Net Income <sup>1</sup>	12.2	11.6	-0.6 (-5%)
EBITDA <sup>2</sup>	17.8	18.0	+0.2
EPS (¥/share)	87.40	83.78	-3.62
OP Margin	27.3%	24.6%	-2.7pt
FX Rate (¥/\$)	137	156	-
Crude Oil (JCC) (\$/bbl) <sup>3</sup>	83	88	-

1. Net Income = Profit Attributable to Owners of Parent

2. EBITDA = Operating Profit + Depreciation and amortization

3. Based on Trade Statistics of Japan Ministry of Finance

# Analysis of Changes in OP

(¥)

1Q

FY2024 Actual	Outlook	vs. Outlook	FY2023 Actual	YOY Change
14.4 billion	11.9 billion	+2.5 billion (+21%)	15.0 billion	-0.6 billion (-4%)
Chemicals	vs. Outlook +0.8 billion	OP increase due to fixed cost etc. <sup>1</sup> down (mainly Inventory adjustment cost)		
	YOY Change -0.2 billion	OP decrease due to sales decrease in urea/AdBlue and fixed cost etc. up despite sales increase in TEPIC and high purity sulfuric acid		
Performance Materials	vs. Outlook +1.5 billion	OP increase due to sales increase in Semis Materials and Inorganic Materials despite sales decrease in Display Materials		
	YOY Change +0.5 billion	OP increase due to sales increase in Semis Materials and Inorganic Materials despite sales decrease in Display Materials		
Agro	vs. Outlook -0.1 billion	OP slightly decrease due to sales decrease in TARGA and fixed cost etc. up (¥0.1 billion, fixed cost down whereas inventory adjustment cost up) despite sales increase in GRACIA etc.		
	YOY Change +0.3 billion	Sales increase in GRACIA, Fluralaner and PERMIT etc.		
Healthcare	vs. Outlook in line			
	YOY Change -0.5 billion	Sales decrease in LIVALO and Custom Chemicals (Custom Chemicals: shipment shifted from 1Q to 2Q)		

1. Fixed cost etc.: including inventory adjustment cost

# Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Losses

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change	1Q FY2024 Outlook
Interest income, dividend income	0.29	0.29	0.00	0.30
Equity in earnings of affiliates	0.54	0.13	-0.41	0.17
Foreign exchange gains/losses <sup>1</sup>	1.48	1.27	-0.21	0.00
Interest expense	-0.12	-0.18	-0.06	-0.20
Loss on disposal of non-current assets, others	-0.14	0.09	+0.23	0.03
<b>Non-Operating Income/Expenses</b>	<b>2.05</b>	<b>1.60</b>	<b>-0.45</b>	<b>0.30</b>
Extraordinary Income	0.00	0.00	0.00	0.00
Extraordinary Losses	0.00	0.00	0.00	0.00
<b>Extraordinary Income/Losses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

1. FX Rate (¥/\$): 2023/3 133.54, 2023/6 144.99, 2024/3 151.40, 2024/6 161.14



Free cash flow in 1Q FY2024 was ¥12.5 billion, an increase of ¥5.3 billion from 1Q FY2023

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
<b>CF from operating activities</b>	<b>12.3</b>	<b>15.3</b>	<b>+3.0</b>
Income before income taxes & non-controlling interests	17.1	16.0	-1.1
Extraordinary losses (income)	0.0	0.0	0.0
Depreciation & amortization <sup>1</sup>	2.8	3.6	+0.8
Income taxes paid	-7.4	-4.7	+2.7
Working capital, others	-0.2	0.4	+0.6
<b>CF from investing activities</b>	<b>-5.1</b>	<b>-2.8</b>	<b>+2.3</b>
Purchase of PPE <sup>2</sup>	-6.6	-3.2	+3.4
Purchase and sales of investment securities	0.0	-0.1	-0.1
Others	1.5	0.5	-1.0
<b>Free cash flow</b>	<b>7.2</b>	<b>12.5</b>	<b>+5.3</b>
<b>CF from financing activities</b>	<b>-10.6</b>	<b>-1.7</b>	<b>+8.9</b>
Payout to shareholders (dividend)	-13.2	-13.0	+0.2
Payout to shareholders (share repurchase)	-5.0	-4.1	+0.9
Liabilities with Interest	7.6	16.4	+8.8
Others	0.0	-1.0	-1.0
Effect of exchange rate change on cash & cash equivalents	0.2	0.1	-0.1
Change in cash & cash equivalents	-3.2	11.0	+14.2
Increase in cash and cash equivalents from newly consolidated subsidiary	0.0	0.0	0.0
Cash & cash equivalents at end of period	26.5	33.8	+7.3

1. Including amortization of goodwill

2. Including intangible assets

(¥billion)

	2023/6	2024/3	2024/6	vs. 2024/3
<b>Current assets</b>	<b>184.6</b>	<b>202.0</b>	<b>212.2</b>	<b>+10.2</b>
Cash	26.4	22.7	33.8	+11.1
Accounts receivable	77.8	88.8	85.8	-3.0
Inventories	71.6	78.2	83.3	+5.1
Others	8.8	12.3	9.3	-3.0
<b>Fixed assets</b>	<b>116.8</b>	<b>121.5</b>	<b>123.6</b>	<b>+2.1</b>
Total PPE	72.1	77.4	78.8	+1.4
Intangible assets	11.4	10.7	10.8	+0.1
Investment securities	27.6	26.1	26.5	+0.4
Others	5.7	7.3	7.5	+0.2
<b>Total assets</b>	<b>301.4</b>	<b>323.5</b>	<b>335.8</b>	<b>+12.3</b>

	2023/6	2024/3	2024/6	vs. 2024/3
<b>Liabilities</b>	<b>83.3</b>	<b>92.5</b>	<b>108.7</b>	<b>+16.2</b>
Accounts payable	17.4	20.4	19.8	-0.6
Borrowings	37.4	41.0	47.4	+6.4
Others	28.5	31.1	41.5	+10.4
<b>Net assets</b>	<b>218.1</b>	<b>231.0</b>	<b>227.1</b>	<b>-3.9</b>
Shareholders' equity <sup>1</sup>	202.9	214.0	208.5	-5.5
Valuation difference on available-for-sale securities	8.1	8.3	8.5	+0.2
Foreign currency translation adjustment	3.4	4.2	5.4	+1.2
Non-controlling interests	3.5	3.4	3.7	+0.3
Remeasurements of defined benefit plans	0.2	1.1	1.0	-0.1
<b>Total liabilities &amp; net assets</b>	<b>301.4</b>	<b>323.5</b>	<b>335.8</b>	<b>+12.3</b>
<b>Equity Ratio</b>	<b>71.2%</b>	<b>70.3%</b>	<b>66.5%</b>	
<b>D/E Ratio<sup>2</sup></b>	<b>5.4%</b>	<b>8.6%</b>	<b>6.5%</b>	

## Breakdown of Investment Securities

	2023/6	2024/3	2024/6	vs. 2024/3
<b>Listed shares<sup>3</sup></b> (Number of stocks held, Non-consolidated basis)	<b>17.4</b> (26)	<b>17.1</b> (24)	<b>17.5</b> (24)	<b>+0.4</b> (0)
<b>Unlisted shares</b>	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>	<b>0.0</b>
<b>Subsidiaries/Associate shares</b>	<b>7.6</b>	<b>6.7</b>	<b>6.7</b>	<b>0.0</b>
<b>Total</b>	<b>27.6</b>	<b>26.1</b>	<b>26.5</b>	<b>+0.4</b>
<b>Strategic shareholdings on net assets<sup>4</sup></b>	<b>8.3%</b>	<b>7.7%</b>	<b>7.9%</b>	

## Reference

2018/3

30.0  
(55)

1.7

6.8

38.5

17.0%

1. Change in shareholders' equity -5.5 = Net Income 11.6 – Dividend and others 17.1

3. 2024/3 17.1 + Acquisition 0.0 + Sales and valuation difference 0.4 = 2024/6 17.5

4. Strategic shareholdings on net assets = strategic shareholdings (Non-consolidated basis, Listed shares + Unlisted shares) / Net assets (Consolidated basis)

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

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# 1Q FY2024 Financial Results YOY Change by Segment

(¥billion)

		1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Chemicals	Sales	9.1	8.9	-0.2 (-2%)
	OP	0.9	0.7	-0.2 (-28%)
Performance Materials	Sales	20.8	23.5	+2.7 (+13%)
	OP	6.5	7.0	+0.5 (+9%)
Agrochemicals	Sales	18.8	20.4	+1.6 (+8%)
	OP	6.6	6.9	+0.3 (+5%)
Healthcare	Sales	2.0	1.5	-0.5 (-25%)
	OP	1.1	0.6	-0.5 (-44%)
Trading, Others, Adjustment	Sales	4.2	4.4	+0.2
	OP	-0.1	-0.8	-0.7
Total	Sales	54.9	58.7	+3.8 (+7%)
	OP	15.0	14.4	-0.6 (-4%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiryo, and others  
Adjustment: Planning & Development Division and others (see p50, p51 for breakdown)

# 1Q FY2024 Financial Results Compared to Outlook by Segment

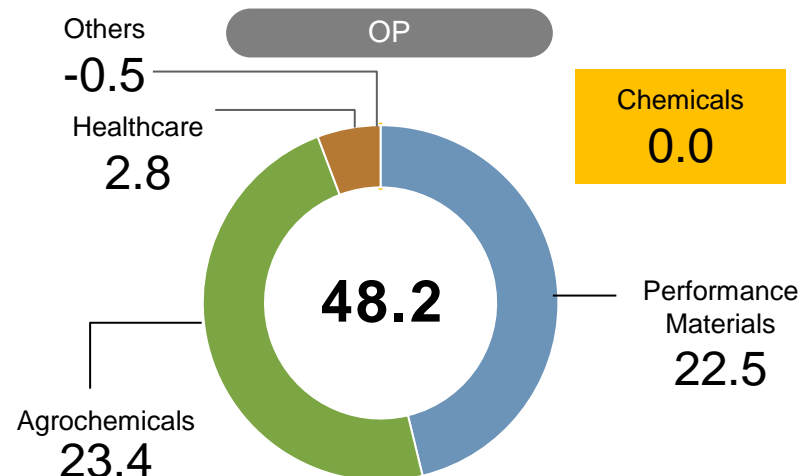
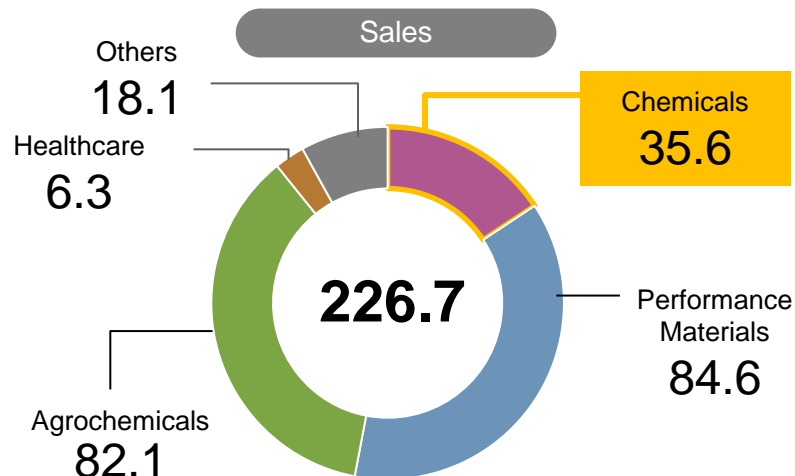
(¥billion)

		1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
Chemicals	Sales	9.1	8.9	-0.2 (-2%)
	OP	-0.1	0.7	+0.8 (-)
Performance Materials	Sales	22.1	23.5	+1.4 (+6%)
	OP	5.5	7.0	+1.5 (+28%)
Agrochemicals	Sales	19.9	20.4	+0.5 (+2%)
	OP	7.0	6.9	-0.1 (-1%)
Healthcare	Sales	1.8	1.5	-0.3 (-19%)
	OP	0.6	0.6	0.0 (+2%)
Trading, Others, Adjustment	Sales	3.3	4.4	+1.1
	OP	-1.1	-0.8	+0.3
Total	Sales	56.2	58.7	+2.5 (+4%)
	OP	11.9	14.4	+2.5 (+21%)

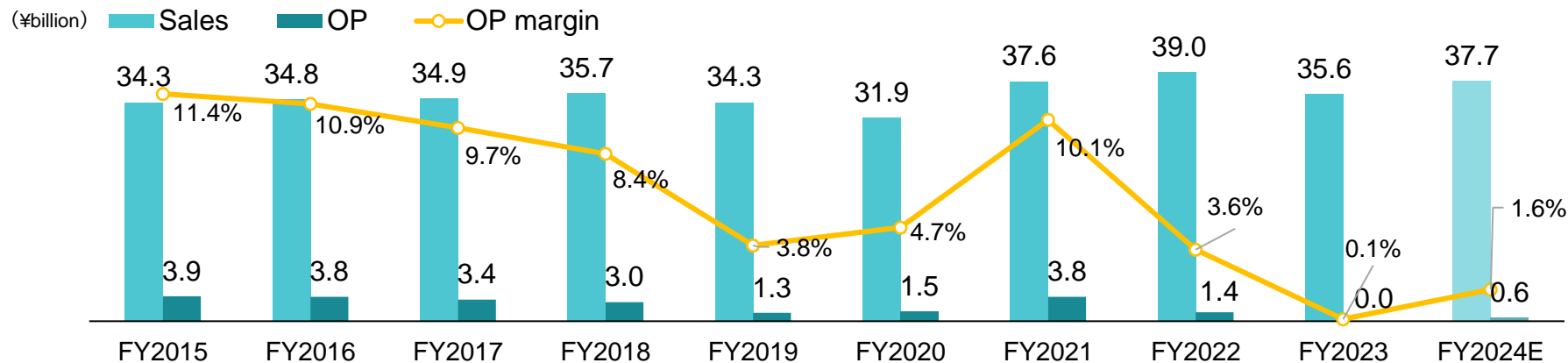
1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiryo, and others  
Adjustment: Planning & Development Division and others (see p50, p51 for breakdown)

## FY2023 Actual by Segment (¥billion)



## Chemicals – Recent Financial Performance<sup>1</sup>



1. Organizational changes were implemented in April 2022. FY2015-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

【1Q】 Sales down ¥0.2 billion, OP down ¥0.2 billion

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Sales	9.1	8.9	-0.2
Fine Chemicals	3.0	3.1	+0.1
Basic Chemicals	6.1	5.8	-0.3
OP	0.9	0.7	-0.2

### 【1Q】 Sales & OP up

Fine  
Chemicals

TEPIC for general applications	Sales up +61% (volume up)
TEPIC for electronic materials	Sales up +28%
Environmental related products	Sales down -11%
FINEOXOCOL	Sales down -3%

### 【1Q】 Sales & OP down

Basic  
Chemicals

Urea/AdBlue®	Sales down -26% (volume down, inventory level down due to Noto Peninsula earthquake)
High purity sulfuric acid	Sales up +36% (volume & price up)
Nitric acid products	Sales down -4%

# 1Q FY2024 Financial Results Compared to Outlook

【1Q】 Sales below target ¥0.2 billion, OP above target ¥0.8 billion,  
Fixed cost & others<sup>1</sup> less than outlook ¥0.8 billion (mainly inventory adjustment cost)

(¥billion)

	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
Sales	9.1	8.9	-0.2
Fine Chemicals	3.1	3.1	0.0
Basic Chemicals	6.0	5.8	-0.2
OP	-0.1	0.7	+0.8

## 【1Q】 Sales in line with target, OP above target

### Fine Chemicals

TEPIC for general applications	Sales above target
TEPIC for electronic materials	Sales above target
Environmental related products	Sales below target
FINEOXOCOL	Sales below target

Fixed cost & others less than outlook ¥0.2 billion

## 【1Q】 Sales below target, OP above target

### Basic Chemicals

Urea/AdBlue®	Sales below target
High purity sulfuric acid	Sales above target
Nitric acid products	Sales below target

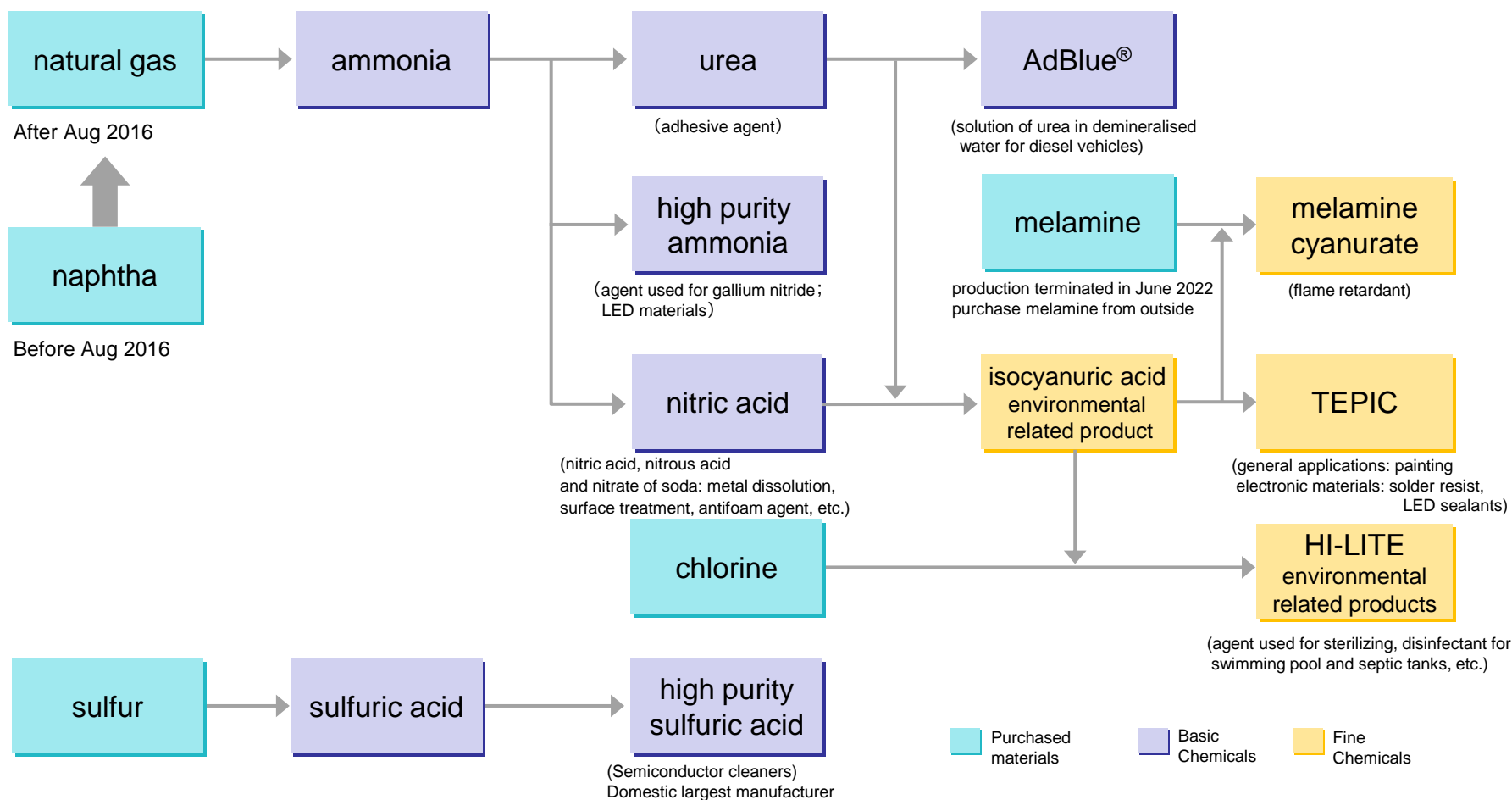
Fixed cost & others less than outlook ¥0.6 billion

1. Fixed cost & others: including inventory adjustment cost

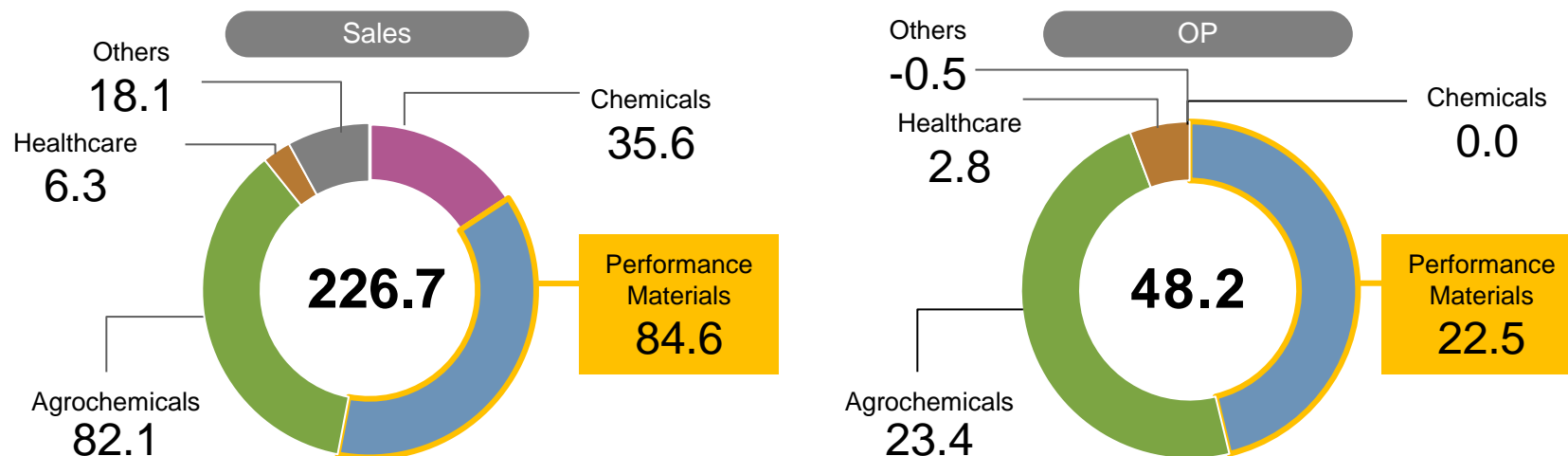


# Flow Chart of Selected Basic and Fine Chemicals Products

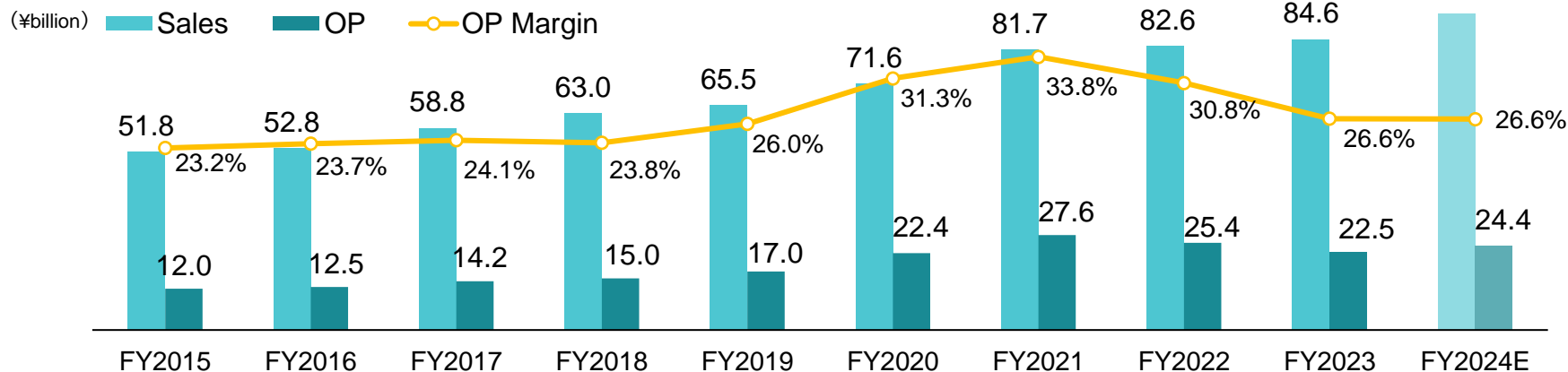
- Core products are ammonia related products and sulfuric acid related products
- FY2023 ammonia domestic production capacity share 11%
- Focus on high value-added products, such as high purity sulfuric acid and TEPIC, instead of pursuing scale



## FY2023 Actual by Segment (¥billion)

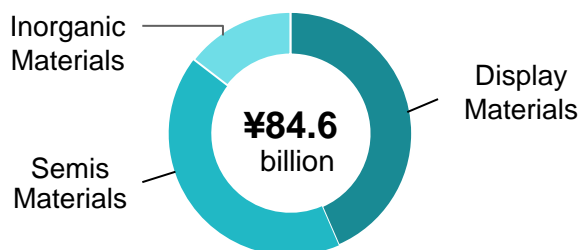


## Performance Materials – Recent Financial Performance<sup>1</sup>

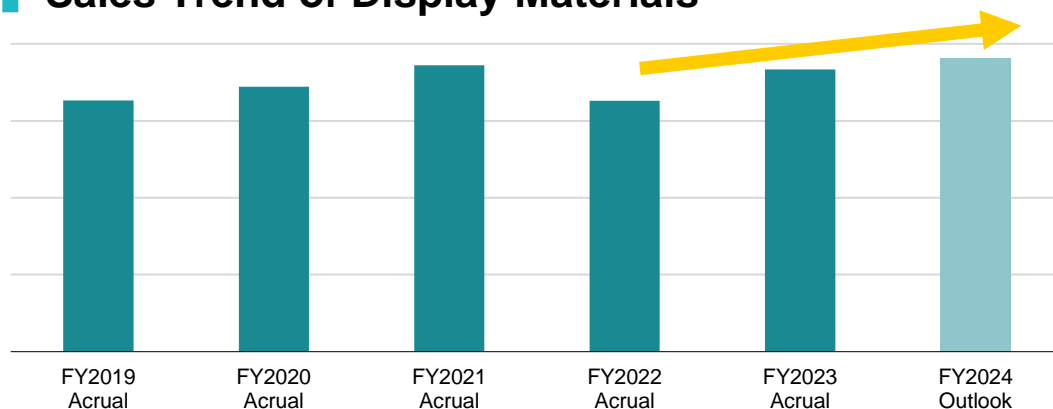


1. Organizational changes were implemented in April 2022. FY2015-2020 Actual figures are based on old segmentation.  
FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

## Sales by subsegment (FY2023 Actual)

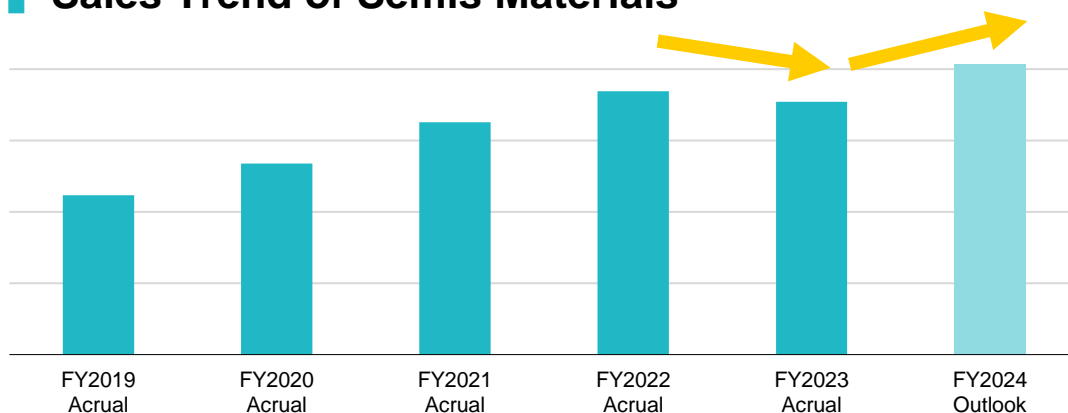


## Sales Trend of Display Materials



- Market Recovering after bottom-out in FY2022
- The shift from other modes (rubbing IPS, etc.) to photo IPS is progressing steadily

## Sales Trend of Semis Materials



- Although Semis market was in a temporary adjustment phase in FY2023, the current market recovery trend is expected to continue.
- The mid- to long-term growth trend remains unchanged.
- Sales grow in EUV materials due to increased customer production

- DP Materials: 【1Q】 Sales YOY -4%, Sales below target, Sales QOQ up
- Semis Materials: 【1Q】 Sales YOY +33%, Sales above target, Sales QOQ up
- Inorganic Materials: 【1Q】 Sales YOY +12%, Sales above target

Main Products	1Q FY2024 Actual	
	YOY Change	vs. Outlook
SUNEVER	-4%	Below
Total Display Materials	-4%	Below
ARC®	+22%	Above
Multi layer process materials	+59%	Above
EUV materials <sup>1</sup>	+42%	Above
Total Semis Materials	+33%	Above
Total Inorganic Materials	+12%	Above
Total Segment	+13%	Above

1. EUV materials: Both Under Layer and Si-HM for EUV

【1Q】Sales up ¥2.7 billion, OP up ¥0.5 billion, Fixed cost & others up ¥1.2 billion in total

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Sales	20.8	23.5	+2.7
OP	6.5	7.0	+0.5

### 【1Q】 Sales & OP down

#### Display Materials

Photo IPS	Sales down (smartphone down, monitor and automobile up)
Rubbing IPS	Sales down
VA	Sales flat

Fixed cost & others up ¥0.1 billion

### 【1Q】 Sales & OP up

#### Semis Materials

ARC®	Sales up
Multi layer process materials	Sales up
EUV materials	Sales up

Semis market (mainly advanced materials) recovering, Fixed cost & others up ¥1.1 billion

#### Inorganic Materials

### 【1Q】 Sales & OP up

Sales up in SNOWTEX (non-polishing, polishing), Organo/Monomer Sol

# 1Q FY2024 Financial Results Compared to Outlook

【1Q】Sales above target ¥1.4 billion, OP above target ¥1.5 billion,  
Fixed cost & others less than outlook ¥0.5 billion in total

(¥billion)

	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
Sales	22.1	23.5	+1.4
OP	5.5	7.0	+1.5

## 【1Q】 Sales & OP below target

Photo IPS	Sales below target (smartphone and monitor below target)
Rubbing IPS	Sales above target
VA	Sales in line with target

Fixed cost & others less than outlook ¥0.1 billion

Display  
Materials

## 【1Q】 Sales & OP above target

ARC®	Sales above target
Multi layer process materials	Sales above target
EUV materials	Sales above target

Semis market (mainly advanced materials) recovering,  
Fixed cost & others less than outlook ¥0.3 billion

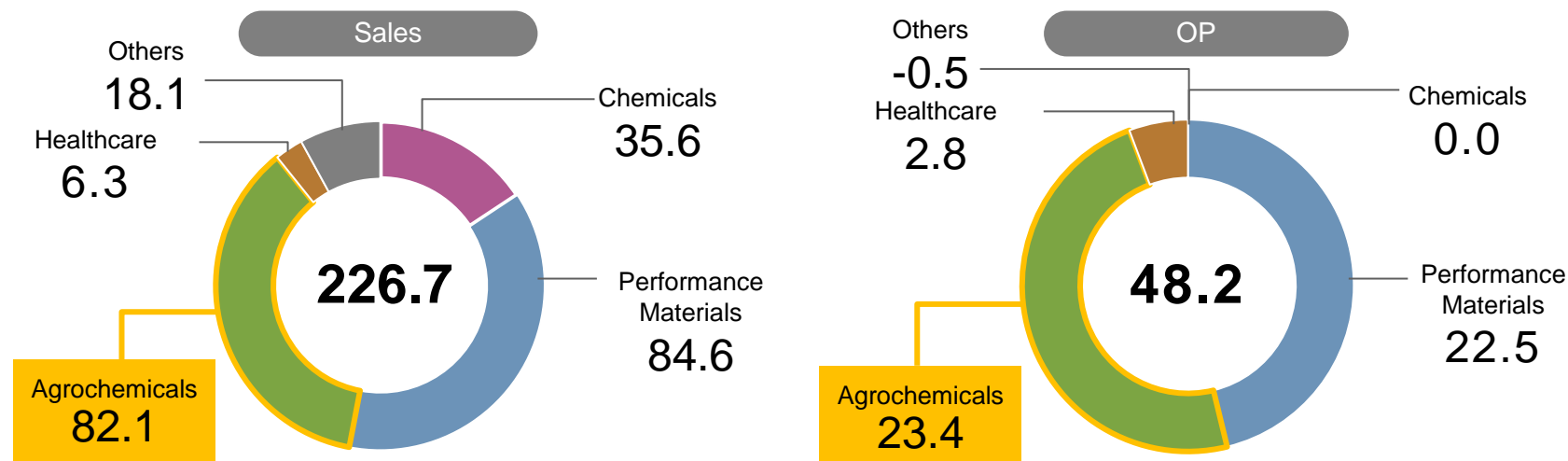
Semis  
Materials

## 【1Q】 Sales & OP above target

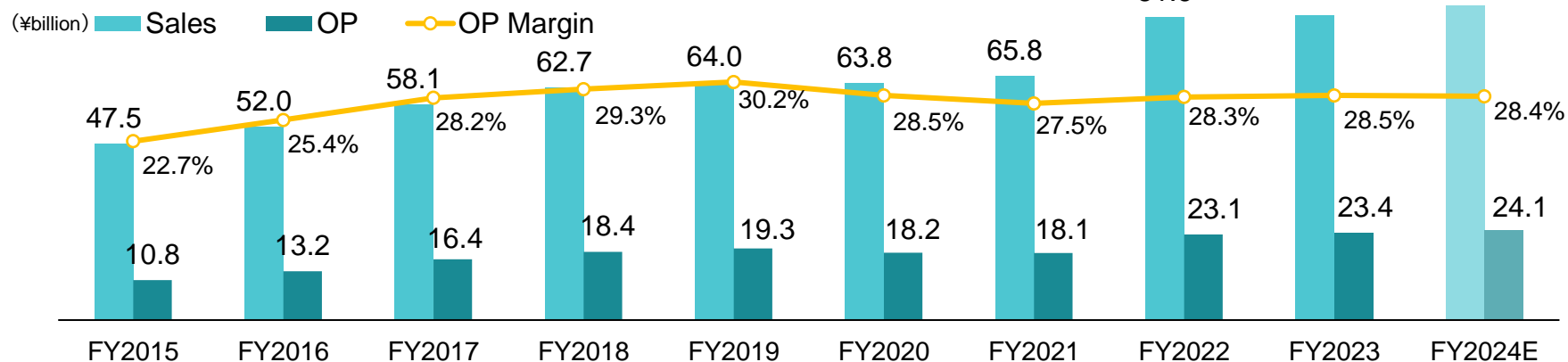
Sales above target in SNOWTEX (non-polishing, polishing),  
Organo/Monomer Sol

Inorganic  
Materials

## FY2023 Actual by Segment (¥billion)



## Agrochemicals – Recent Financial Performance<sup>1</sup>



1. Organizational changes were implemented in April 2022. FY2015-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

## ■ 【1Q】 Sales YOY +8%, Sales above target

Main Products (Agro: in order of FY2023 Sales amount)		Types	1Q FY2024 Actual	
			YOY Change	vs. Outlook
Agro	ROUNDUP <sup>1</sup>	Herbicide	-1%	In line
	ALTAIR	Herbicide	+21%	Above
	GRACIA	Insecticide	+44%	Above
	TARGA	Herbicide	-55%	Below
	DITHANE	Fungicide	-20%	Below
	PERMIT	Herbicide	+69%	Above
	LEIMAY	Fungicide	+121%	Above
Animal Health	Fluralaner	Animal Health products	+11%	In line
Total Segment <sup>2</sup>		-	+8%	Above

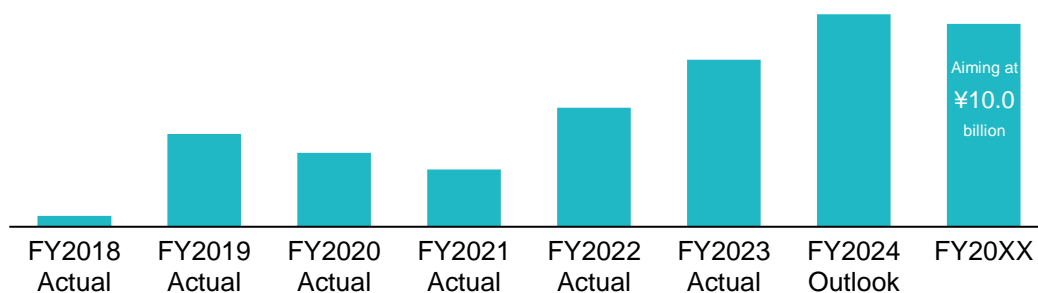
### Reference

[ROUNDUP Business Briefing](#)   
(January 22, 2020)

[Agrochemicals Business Briefing](#)   
(September 28, 2022)

1. ROUNDUP AL for general household account for 34% of total ROUNDUP sales (1Q FY2024 Actual)
2. Total segment sales YOY include discount

## ■ GRACIA Sales





【1Q】Sales up ¥1.6 billion, OP up ¥0.3 billion, Fixed cost & others up ¥0.8 billion

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Sales	18.8	20.4	+1.6
OP	6.6	6.9	+0.3

Main products	ROUNDUP(Herbicide)	Sales flat
	ALTAIR(Herbicide)	Sales up (domestic: sales expansion)
	GRACIA(Insecticide)	Sales up (export: sales expansion in Asia)
	TARGA(Herbicide)	Sales down (export: shipment shifted to FY2023, sales down in Europe due to distribution inventory adjustment)
	DITHANE(Fungicide)	Sales down (export: some shipments were postponed)
	PERMIT(Herbicide)	Sales up (export: sales up due to increased demand in Asia)
	LEIMAY(Fungicide)	Sales up (export: sales up due to increased demand in Europe)
	Fluralaner(Animal health product)	Sales up (API: sales flat, royalties: sales up, partly affected by JPY depreciation)

# 1Q FY2024 Financial Results Compared to Outlook

【1Q】 Sales above target ¥0.5 billion, OP below target ¥0.1 billion,  
Fixed cost & others more than outlook ¥0.1 billion  
(Fixed cost less than outlook whereas Inventory adjustment cost more than outlook)

	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
(¥billion)			
Sales	19.9	20.4	+0.5
OP	7.0	6.9	-0.1

Main products	ROUNDUP(Herbicide)	Sales in line with target
	ALTAIR(Herbicide)	Sales above target
	GRACIA(Insecticide)	Sales above target (export: sales expansion in Asia)
	TARGA(Herbicide)	Sales below target (export: shipment shifted to FY2023, sales below target in Europe)
	DITHANE(Fungicide)	Sales below target (export: some shipments were postponed)
	PERMIT(Herbicide)	Sales above target (export: sales above target due to increased demand in Asia)
	LEIMAY(Fungicide)	Sales above target (export: sales above target due to increased demand in Europe)
	Fluralaner(Animal health product)	Sales in line with target

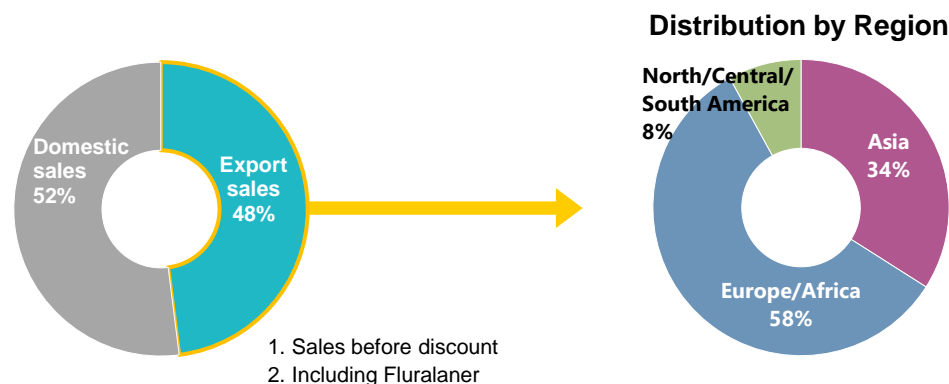
	Launch	Products	Application	Product development type	Notes
Existing products	2002	ROUNDUP	Herbicide	Acquired	Acquired domestic business from Monsanto, continuing to grow
	2008	LEIMAY	Fungicide	In-house	
	2008	STARMITE	Insecticide	In-house	
	2009	PULSOR (THIFLUZAMIDE)	Fungicide	Acquired	Acquired world business from Dow
	2010	ROUNDUP AL	Herbicide	In-house	For general household shower-type herbicide market, launched ROUNDUP AL II in FY2016 and AL III in FY2017
	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 <sup>1</sup> as the API of BRAVECTO <sup>®</sup>
	2014	BRAVECTO <sup>®2</sup>	Veterinary medical product for companion animals	-	Launched in several countries in EU in April 2014, in the US in June 2014 and in Japan in July 2015
	2017	TRANSFORM™ / EXCEED™ / VIRESCO™	Insecticide	Licensed-in	Licensed from Dow
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. Expanding sales countries (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	VERDAD (DIMESULFAZET) (NC-653)	Herbicide	In-house	Effective against resistant weeds, having excellent safety to rice (expected peak sales ¥3.5 billion)
	2027	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 (IPTRIAZOPYRID)	Herbicide	In-house	Our first foliar application rice herbicide with excellent efficacy against resistant grass weeds (expected peak sales ¥10.0 billion)

**Expected peak sales of new products**  
**¥31.0 billion**

1. MSD: MSD Animal Health, the global animal health business unit of Merck 2. BRAVECTO<sup>®</sup>: the product name developed by MSD, containing the active substance Fluralaner

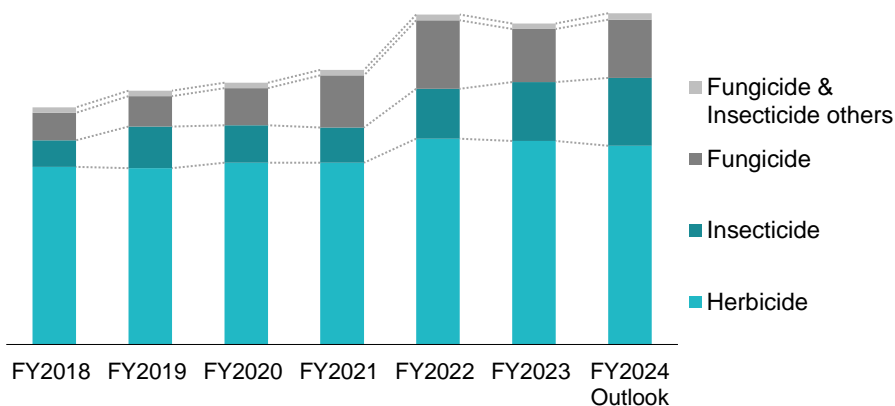
No.1 in the domestic agrochemicals sales ranking (Oct 2021- Sep 2022)  
In our Agrochemical sales, domestic sales are larger than overseas sales

## Export ratio of agrochemicals business (FY2023 Actual)<sup>1,2</sup>

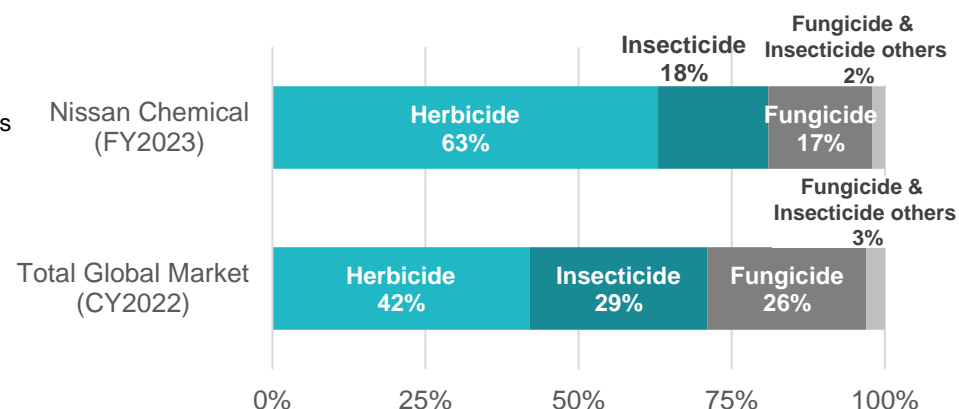


Expand product portfolio through sales expansion of existing products, launching in-house developed products, acquisition and introduction of pesticides

## Nissan Chemical Sales Trend



## Nissan Chemical Sales Distribution



- BRAVECTO® series and EXZOLT®, which contain the active pharmaceutical ingredient of Fluralaner invented by Nissan Chemical, are currently available in more than 100 countries.
- BRAVECTO®'s greatest feature is its effectiveness, which lasts up to 12 weeks (existing products last up to about 1 month)

## I. Fluralaner

### II. BRAVECTO®

### III. BRAVECTO® Plus

### IV. EXZOLT®



## I. Fluralaner

- Invented by Nissan Chemical and supplied to MSD<sup>1</sup> 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 the patent term extension system
    - Some EU countries including UK, France, and Germany – already extended to February 2029
    - USA, etc. – applications under examination

## II. BRAVECTO®

- Developed and launched by MSD
- Veterinary medical products providing 12 weeks<sup>2</sup> 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 launched in:
  - April 2014 EU, thereafter, USA, Japan, etc.
  - July 2020 monthly chews for puppies in USA
- Spot-on solution for dogs and cats launched in:
  - July 2016 EU, thereafter, USA, Japan, etc.
- Injectable solution for dogs (BRAVECTO® Quantum)
  - Providing 12 months<sup>3</sup> of continuous protection
  - Launched in Australia in June 2024, and thereafter, launched in Europe, etc.

## III. BRAVECTO® Plus

- Broad-spectrum combination spot-on solution for cats to treat internal and external parasite infestations
  - July 2018 EU, thereafter, USA, Japan, etc.

## IV. EXZOLT®

- Poultry medicine against red mite launched by MSD (administered via drinking water)
  - September 2017 in EU, thereafter, Korea and Middle East etc., July 2021 in Japan
- Cattle medicine
  - September 2022 launched in Brazil, April 2023 launched in Mexico
- Sheep medicine
  - Launched in Australia and New Zealand in 2023

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

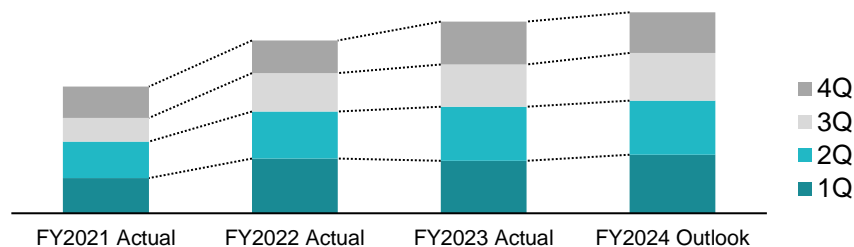
2. 8 weeks for *Rhipicephalus sanguineus* ticks

3. 11 months for *Rhipicephalus sanguineus* ticks

## Nissan Chemical's Revenues are Consisted from Following Two Factors

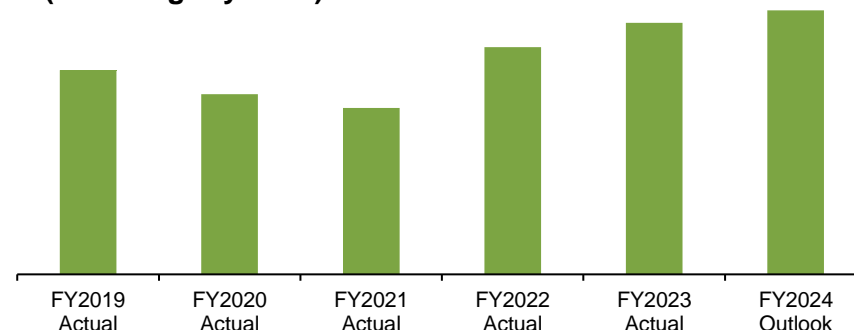
- Sales of Fluralaner to MSD as API<sup>1</sup> of BRAVECTO<sup>®</sup> and EXZOLT<sup>®</sup> products
  - Running royalties received from MSD
1. API: Active Pharmaceutical Ingredient

### FY2021-FY2024 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 p52).

### FY2019-FY2024 Fluralaner Sales Image (including royalties)



- Inventory adjustments for Fluralaner were completed in FY2021.
- A large sales increase in FY2022 due to the shipments shifted from FY2021 to FY2022 and JPY depreciation. Actual exchange rate is ¥136/\$.
- Actual exchange rate for FY2023 is ¥145/\$.
- Assumed exchange rate for 1H FY2024 is ¥145/\$, 2H for FY2024 is ¥140/\$.

## BRAVECTO<sup>®</sup> series R&D

- MSD is developing a new internal and external parasiticide for pets with Fluralaner as the API.

- New API production site to ensure a stable global supply and reduce manufacturing costs
- Completed establishment as planned, NBR is added as a consolidated subsidiary from FY2022.
- Started commercial operation (March 2023)
- NBR is profitable on non-consolidated basis in FY2023 as planned

### 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, etc.) and exporting them to Nissan Chemical
Number of Operators	About 150 (as of April 1, 2024)
Plant Operating	Started from 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 74.99%
2022 PL	Sales INR 12,343 million, Net Income after Taxes INR 1,246 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

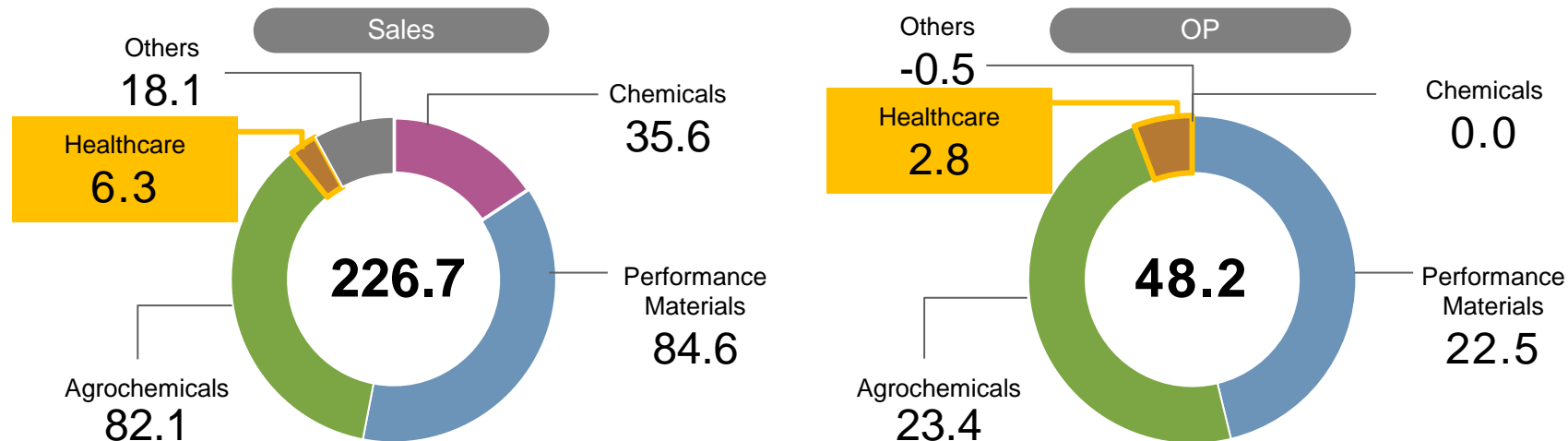
### Funding Plan (as of May 2022)

(¥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

### Advantages to Nissan Chemical

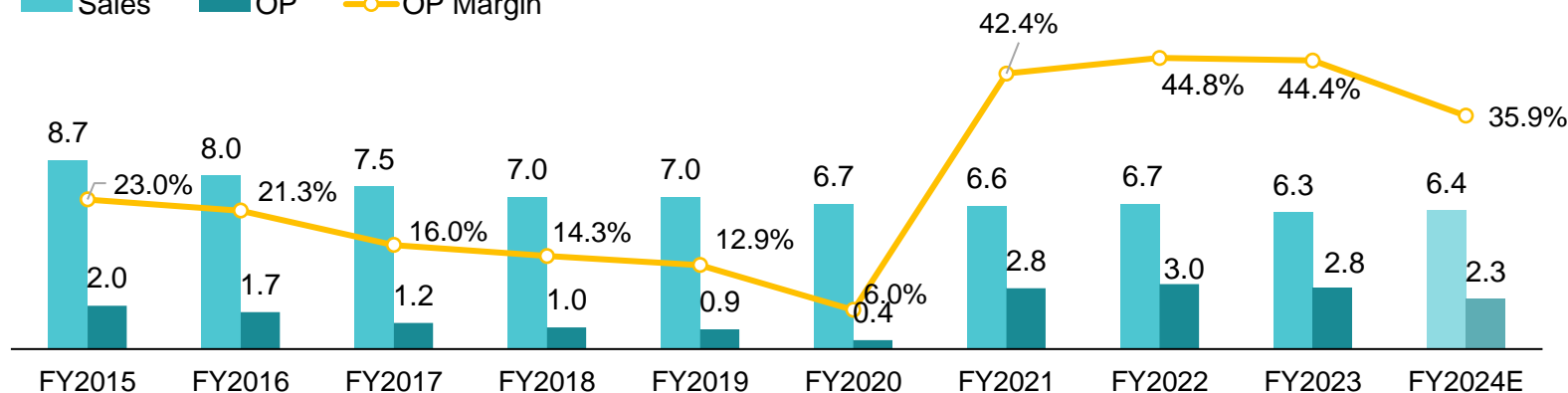
- Reliable and experienced local partner
- Diversify and secure sources of active ingredients and decrease materials shortage risks
- Lower production costs compared to plants in Japan
- Readily available plant site  
(official approval process for land lease already completed)
- Much less management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

## FY2023 Actual by Segment (¥billion)



## Healthcare – Recent Financial Performance<sup>1</sup>

(¥billion) Sales OP OP Margin



1. Organizational changes were implemented in April 2022. FY2015-2020 Actual figures are based on old segmentation. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)



## LIVALO

Anti-hyperlipidemia drug launched by Kowa in 2003.

Currently sold in more than 30 countries. (Nissan provides API)

### API Sales Growth Rate

	FY2020 Actual <sup>2</sup>	FY2021 Actual	FY2022 Actual	F2023 Actual <sup>3</sup>	FY2024 Outlook
API Sales YoY Change	-30%	-17%	0%	-5%	-23%
Domestic YoY Change	+6%	+30%	-17%	-3%	-38%
Export YoY Change	-35%	-28%	+7%	-6%	-18%
Change from FY2012 <sup>1</sup>	-73%	-78%	-78%	-79%	-84%

1. August 2013, domestic compound patent expired. LIVALO sales (domestic and export total) peaked in FY2012.

2. August 2020, market exclusivity expired in EU

3. November 2023, generic drug makers entered the US market

## Custom Chemicals

- Solution proposal business and joint development business for new drug pharmaceutical ingredients and intermediates from pre-clinical to commercial production stages
- In recent years, focusing on new business mainly for high potent and high value-added GE API

### High value-added GE API

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

### Custom Chemicals Sales Trend (FY2014-FY2024)

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Outlook
1.8	2.3	2.4	2.5	2.6	2.9	3.8	4.2	4.3	4.0	4.5

(¥billion)

【1Q】Sales down ¥0.48 billion, OP down ¥0.48 billion

(¥billion)

	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change
Sales	1.95	1.47	-0.48
Healthcare	0.61	0.28	-0.33
Custom Chemicals	1.34	1.19	-0.15
OP	1.09	0.61	-0.48
Healthcare	0.28	0.03	-0.25
Custom Chemicals	0.81	0.58	-0.23

1. Figures in p7, p12, p13, p50, p51 may not match the numbers on this page due to rounding

### 【1Q】Sales & OP down

Healthcare

LIVALO

Sales down (domestic & export down)

### 【1Q】Sales & OP down

Custom  
Chemicals

Sales down due to shipment shifted to 2Q FY2024

Fixed cost & others up

# 1Q FY2024 Financial Results Compared to Outlook

【1Q】Sales below target ¥0.30 billion, OP in line with target

(¥billion)

	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
Sales	1.77	1.47	-0.30
Healthcare	0.26	0.28	+0.02
Custom Chemicals	1.51	1.19	-0.32
OP	0.61	0.61	0.00
Healthcare	0.05	0.03	-0.02
Custom Chemicals	0.56	0.58	+0.02

1. Figures in p7, p12, p13, p50, p51 may not match the numbers on this page due to rounding

Healthcare

## 【1Q】Sales above target, OP below target

LIVALO

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

Custom  
Chemicals

## 【1Q】Sales below target, OP above target

Sales below target due to shipment shifted to 2Q FY2024

Fixed cost & others less than outlook

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## E

(Environment)


## S

(Social)

- April 2021 Announced its Diversity Statement and Diversity Vision
- May 2022 Decided to work on realization of carbon neutrality by 2050  
Established new long-term target for reducing greenhouse gas (GHG) emissions(see p40)
- June 2022 Reduced GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)
- June 2022 Established Climate Change Committee
- October 2023 Published [“Integrated Report 2023”](#) 

## 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 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 2024 Two female Outside Directors appointed (re-elected), as a result, the Board of Directors includes 4 Outside Directors out of 10
- June 2024 Updated and disclosed [“Corporate Governance Report”](#) 

# ESG Index and Third-party Recognition

## Dow Jones Sustainability Asia Pacific Index

- December 2023  
Selected as a constituent  
for 6 consecutive years

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

## FTSE

- June 2024: Selected as a constituent of FTSE4Good Index Series, FTSE Blossom Japan Index for 5 consecutive years
- June 2024: Selected as a constituent of FTSE Blossom Japan Sector Relative for 3 consecutive years

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.



## Certified Health & Productivity Management Organization (White 500)

- March 2024: Acquired for 8 consecutive years



## Nikkei Integrated Report Award

- February 2024  
Won "the Award for Excellence"



## Participation in External Initiatives



## S&P/JPX Carbon Efficient Index

- June 2023  
Selected as a constituent  
for 5 consecutive years



## MSCI

- June 2023: Upgraded from BBB to A (MSCI ESG Rating)
- January 2024: Selected as a constituent of MSCI Nihonkabu ESG Select Leaders Index
- June 2024: Selected as a constituent of Japan Empowering Women (WIN) Select Index for 5 consecutive terms

**2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX** **2023 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.

## Morningstar

- March 2023: Selected as a constituent of Japan ex-REIT Gender Diversity Tilt Index

## "Childcare Support Company" Kurumin

- January 2023  
Acquired for 2 consecutive years



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

▶▶▶1

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

### ▶ Nissan Chemical Sustainable Agenda<sup>1</sup>

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

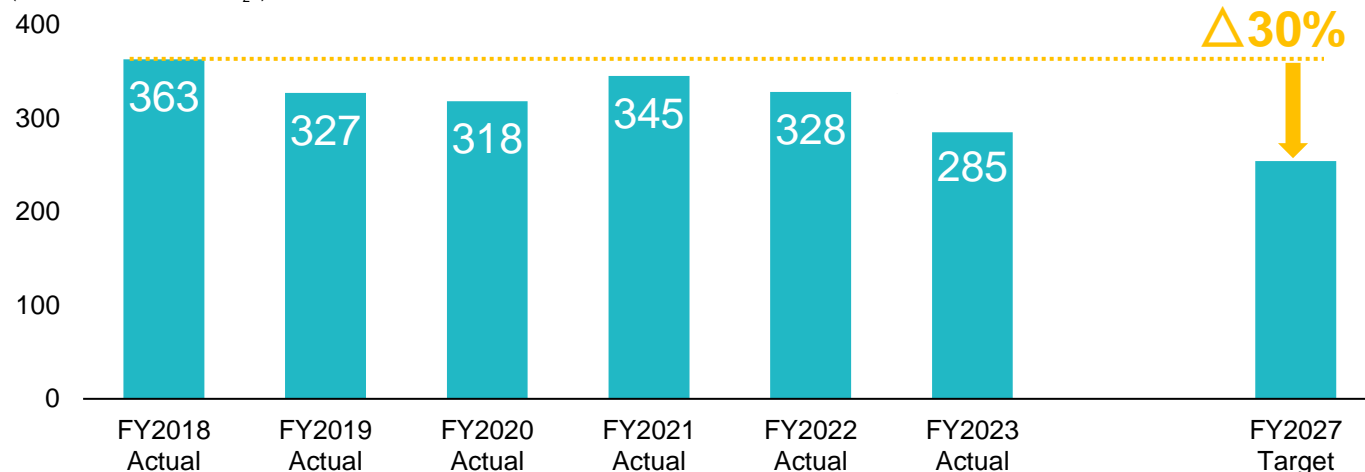
## Our Materiality

Strengthening of Corporate Governance, Risk Management and Compliance

# 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 target for FY2027: Reduce by at least 30% compared to FY2018 (SCOPE1+2)

(Thousands of tons of -CO<sub>2</sub>e)



## Comparison of GHG emissions with general chemical manufacturers

(Thousands of tons -CO<sub>2</sub>e)

FY	2011	2018	2019	2020	2021	2022
Nissan Chemical (non-consolidated basis)	448	363	327	318	345	328
Average of 4 major general chemical manufacturers (consolidated basis)	-	-	9,275	8,928	9,226	8,390

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

- Zero N<sub>2</sub>O emissions from nitric acid plants (Planned investment of 500 million yen, variable cost of 50 million yen/year)
- Melamine production shutdown
- Converting fuels at Onoda Plant
- Promoting reduction of GHG emissions through full-scale introduction of ICP
- Reduction of CFC equipment
- Upgrade to energy-efficient equipment



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

## Sales and Income Targets by Segment

(¥billion)

		FY2021 Actual <sup>1</sup>	FY2022 Actual	FY2023 Actual	FY2024 Outlook <sup>2</sup>	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
Chemicals	Sales	37.6	39.0	35.6	37.7	37.6	40.1
	OP	3.8	1.4	0.0	0.6	3.5	3.9
Performance Materials	Sales	81.7	82.6	84.6	91.9	102.9	117.2
	OP	27.6	25.4	22.5	24.4	32.1	38.0
Agrochemicals	Sales	65.8	81.6	82.1	84.9	77.8	82.3
	OP	18.1	23.1	23.4	24.1	21.7	21.0
Healthcare	Sales	6.6	6.7	6.3	6.4	7.2	11.5
	OP	2.8	3.0	2.8	2.3	2.1	4.3
Trading, Others, Adjustment	Sales	16.3	18.2	18.1	13.2	29.5	33.9
	OP	-1.3	-0.6	-0.5	-1.4	-0.9	-0.2
Planning and Development <sup>3</sup>	Sales	0.0	0.0	0.0	0.0	1.3	4.4
	OP	-4.9	-5.5	-5.3	-5.7	-4.7	-4.7
Total	Sales	208.0	228.1	226.7	234.1	255.0	285.0
	OP	51.0	52.3	48.2	50.0	58.5	67.0
FX Rate (¥/\$)		112	136	145	143	110	

(Financial Target)

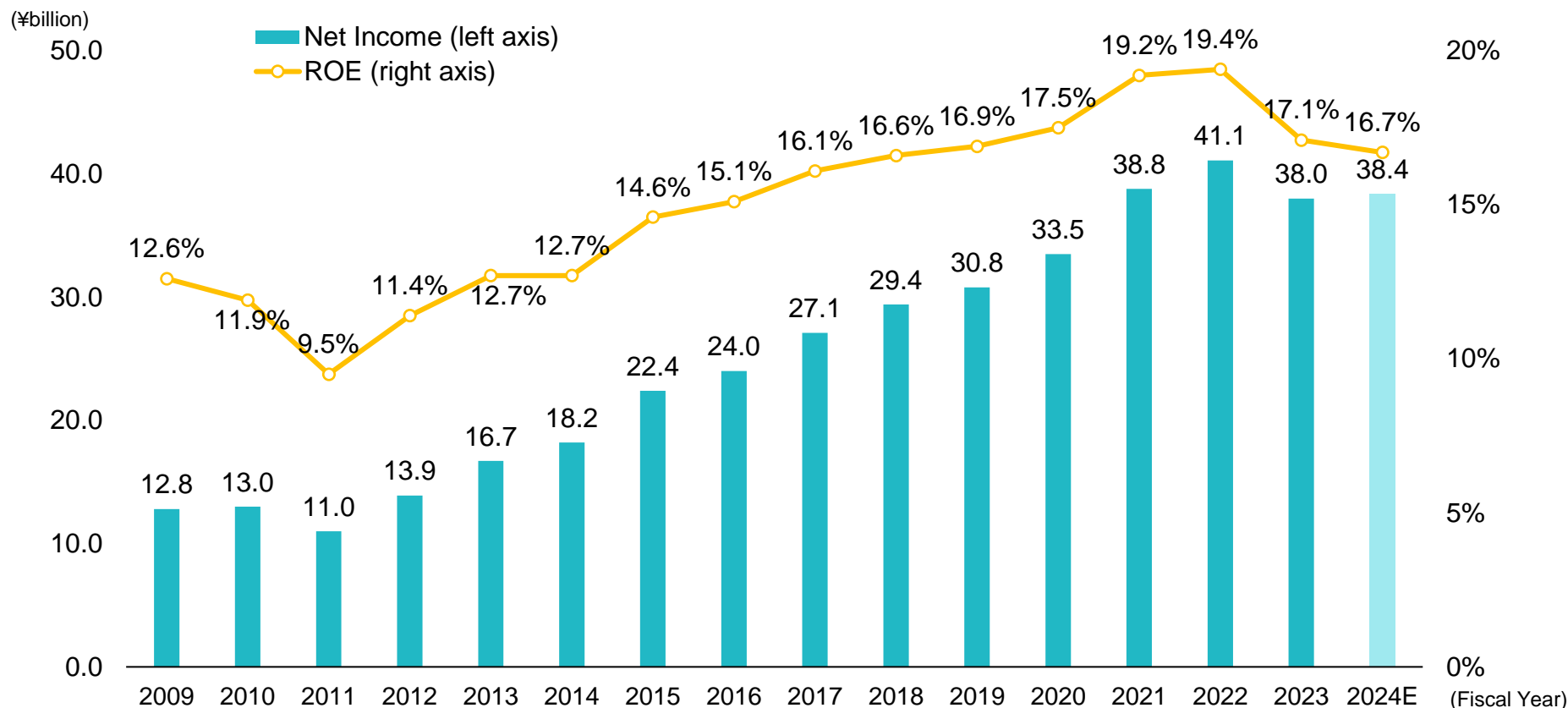
OP Margin	24.5%	22.9%	21.3%	21.4%	Above 20%
ROE	19.2%	19.4%	17.1%	16.7%	Above 18%
Dividend Payout Ratio	44.9%	56.3%	60.1%	58.8%	55%
Total Payout Ratio	75.6%	78.0%	86.2%	75%Target	75%

1. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

2. ROE and dividend payout ratio were revised to reflect share repurchase (¥10.0 billion, announced on May 28)

3. The figures of Planning and Development Division are internal figures of Trading, Others, Adjustment

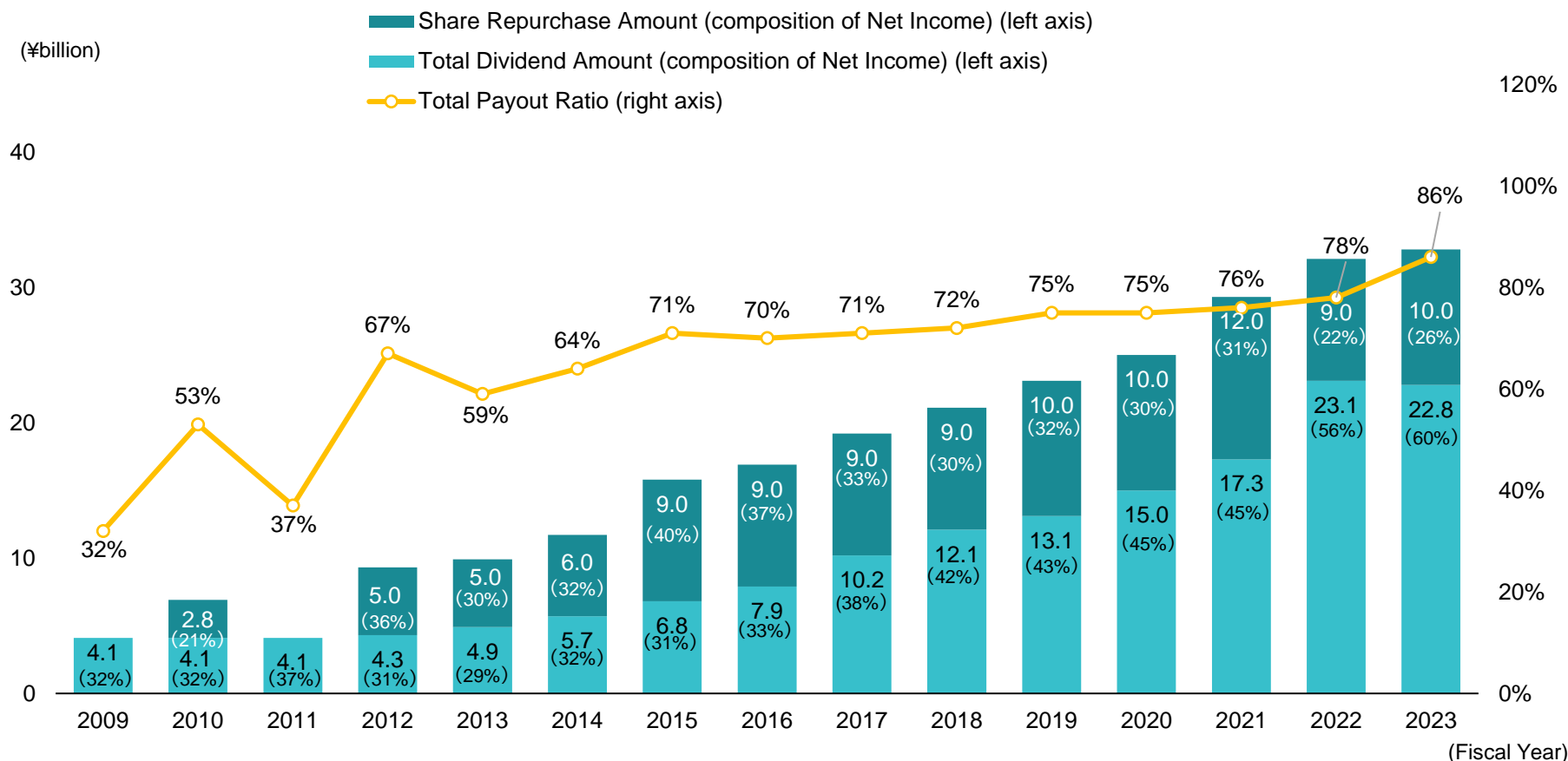
- Position ROE as the most important financial indicator for a long time
- Mid-Term Plan FY2019-2021 Target : Maintain above 16% ⇒ Achieved
- New Mid-Term Plan FY2022-2027 Target: above 18%
- FY2023 Actual: 17.1%



1. FY2024E: ROE were revised to reflect share repurchase (¥10.0 billion, announced on May 28)

# 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
- New Mid-Term Plan FY2022-2027 Target: 75% (FY2023 Actual: 86.2%)



# Shareholders Return Policy - Share Repurchase

- Started share repurchase in FY2006 only to enhance ROE
- Repurchased ¥123.5 billion, 47.77 million shares (25.5% of shares issued) in total from FY2006 to FY2023
- Cancelled all repurchased shares
- Continue to strengthen shareholders return through share repurchase
- Announced a ¥5.0 billion share repurchase on May 13 and an additional ¥5.0 billion on May 28, 2024 (Total up to ¥10.0 billion) based on flexible capital policies considering stock market trends

## FY2006 - 2023 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	2022	2023	Total
Shares purchased (thousand shares) <sup>1</sup>	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	1,356	1,665	47,769
Purchase costs (¥billion) <sup>1</sup>	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	9.0	10.0	123.5
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	1,700	2,500	48,835
Shares issued at FY end (million shares)	185	181	174	171	165	161	158	156	154	151	149	146	145	143	141	139	-
Treasury shares at FY end (thousand shares) <sup>2</sup>	1,367	1,233	1,660	885	1,258	522	287	1,621	2,242	1,535	1,218	523	1,352	1,384	1,029	187	-
Total payout ratio (dividend + share repurchase) (%)	60	56	118	53	67	59	64	71	70	71	72	75	75	76	78	86	-

## FY2019 - 2024 Share Repurchase and Cancel Program

Fiscal Year	2019			2020			2021			2022			2023 <sup>3</sup>			2024
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total	Total
Shares purchased (thousand shares) <sup>1</sup>	1,270	868	2,138	1,334	495	1,829	1,262	771	2,033	683	673	1,356	805	860	1,665	-
Purchase costs (¥billion) <sup>1</sup>	6.0	4.0	10.0	7.0	3.0	10.0	7.0	5.0	12.0	5.0	4.0	9.0	5.0	5.0	10.0	up to 10.0
Shares cancelled (thousand shares) <sup>3</sup>	2,000	1,000	3,000	1,000	0	1,000	2,000	0	2,000	1,700	0	1,700	1,500	1,000	2,500	-

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

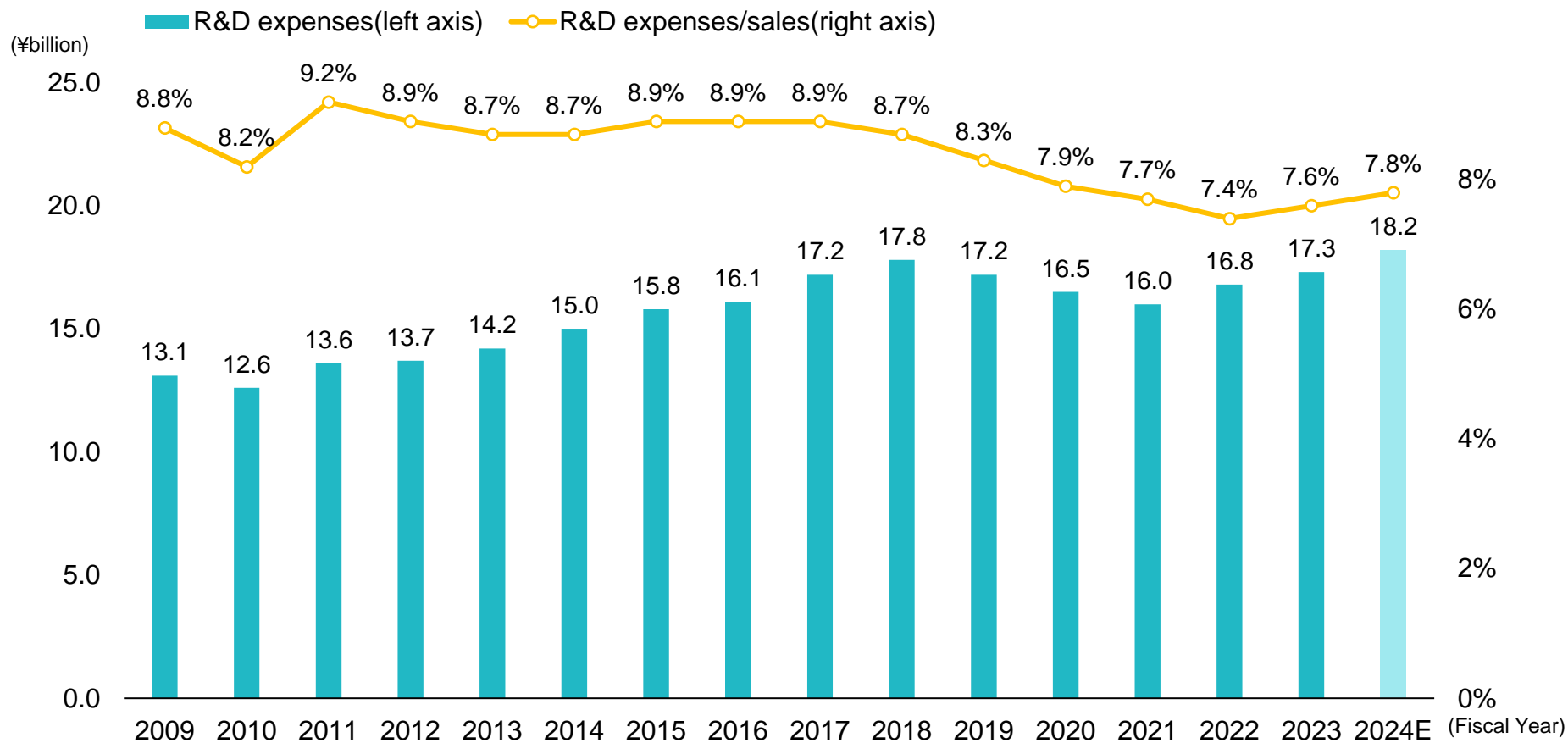
3. Dates of Cancellation in FY2023 are May 12 and Aug 10, 2023, and Mar 13, 2024

## 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 7-9% R&D expenses/sales in recent years
- Temporary decrease in R&D expenses in FY2020 and FY2021 due to COVID-19



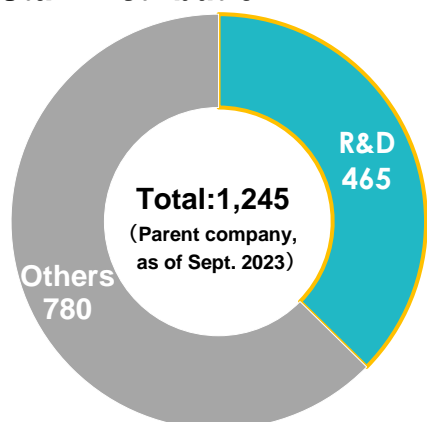
- Achieve high OP margin despite aggressive investment in R&D
- About 40% of professional staff engaged in R&D

## R&D Expenses by Segment

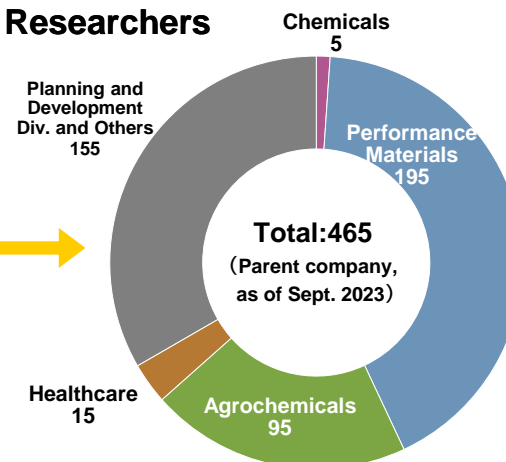
Segments	FY2023 Actual				
	Sales (¥billion)	OP (¥billion)	OP Margin	R&D expenses (¥billion)	R&D Expenses/Sales
Chemicals	35.6	0.0	0.1%	0.3	0.8%
Performance Materials	84.6	22.5	26.6%	8.2	9.7%
Agrochemicals	82.1	23.4	28.5%	4.3	5.2%
Healthcare	6.3	2.8	44.4%	0.4	6.3%
Others <sup>1</sup>	-	-	-	4.1	-
<b>Total (including Others<sup>1</sup>)</b>	<b>226.7</b>	<b>48.2</b>	<b>21.3%</b>	<b>17.3</b>	<b>7.6%</b>

1. Including Planning and Development Div.

## Professional Staff Distribution



## Researchers



2. The stuff number indicated is round number

# Long-term Financial Performance Trend

(¥billion)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Sales	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	228.1	226.7	234.1
Operating Profit	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	52.3	48.2	50.0
Ordinary Income	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	55.8	51.6	50.5
Net Income	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	41.1	38.0	38.4
EBITDA	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	63.3	62.0	65.6
OP Margin	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%	22.9%	21.3%	21.4%
ROE	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%	19.4%	17.1%	16.7%
EPS (¥/share)	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	291.36	272.82	279.08
Dividend (¥/share)	15	20	20	22	24	24	24	26	30	36	44	52	68	82	90	104	122	164	164	164
Dividend Payout Ratio	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%	56.3%	60.1%	58.8%
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	9.0	10.0	-
Total Assets	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	298.7	323.5	-
Net Assets	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	221.5	230.9	-
Cash	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	29.6	22.7	-
Liabilities with Interest	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	27.3	41.0	-
Equity Ratio	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%	73.1%	70.3%	-
Capex	11.0	7.7	13.8	10.7	14.4	8.7	8.9	8.1	9.1	8.7	9.5	13.5	14.4	9.9	15.5	14.3	12.4	19.4	20.2	22.1
Depreciation	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	11.0	13.8	15.6
R&D Expenses	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	16.8	17.3	18.2
R&D Expenses/Sales	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%	7.4%	7.6%	7.8%

1. FY2021- : Including effects of changes in accounting policies (see p52)

2. Capex: Cash flows basis

3. FY2024E: ROE, EPS and dividend payout ratio were revised to reflect share repurchase (¥10.0 billion, announced on May 28)



# Sales and OP Trend by Segment

(¥billion)

Sales (A)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Chemicals	34.5	35.5	34.3	34.3	34.8	34.9	35.7	34.3	31.9	37.6	39.0	35.6	37.7
Performance Materials	37.4	42.8	49.4	51.8	52.8	58.8	63.0	65.5	71.6	81.7	82.6	84.6	91.9
Agrochemicals	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.0	63.8	65.8	81.6	82.1	84.9
Healthcare	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0	6.7	6.6	6.7	6.3	6.4
Trading	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.9	69.8	80.4	99.1	103.8	104.1
Others	21.2	21.4	20.9	20.9	24.0	21.5	24.6	22.4	23.8	23.6	26.4	30.1	28.7
Adjustment	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-54.3	-58.5	-87.7	-107.3	-115.8	-119.6
Total	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	208.0	228.1	226.7	234.1

OP (B)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Chemicals	1.9	1.9	1.9	3.9	3.8	3.4	3.0	1.3	1.5	3.8	1.4	0.0	0.6
Performance Materials	7.2	8.8	12.0	12.0	12.5	14.2	15.0	17.0	22.4	27.6	25.4	22.5	24.4
Agrochemicals	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.3	18.2	18.1	23.1	23.4	24.1
Healthcare	5.2	4.9	2.3	2.0	1.7	1.2	1.0	0.9	0.4	2.8	3.0	2.8	2.3
Trading	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.1	2.5	2.9	3.7	3.7	3.2
Others	0.7	0.8	0.6	0.5	1.0	0.6	0.9	0.7	0.8	0.7	0.9	0.6	0.7
Adjustment	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.7	-3.3	-4.9	-5.2	-4.8	-5.3
Total	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	51.0	52.3	48.2	50.0

OP Margin (B)/(A)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Chemicals	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	3.8%	4.7%	10.1%	3.6%	0.1%	1.6%
Performance Materials	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	26.0%	31.3%	33.8%	30.8%	26.6%	26.6%
Agrochemicals	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	30.2%	28.5%	27.5%	28.3%	28.5%	28.4%
Healthcare	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	12.9%	6.0%	42.4%	44.8%	44.4%	35.9%
Trading	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.6%	3.6%	3.7%	3.6%	3.1%
Others	3.3%	3.7%	2.9%	2.4%	4.2%	2.8%	3.7%	3.1%	3.4%	3.0%	3.4%	2.0%	2.4%
Total	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	24.5%	22.9%	21.3%	21.4%

## Segment Assets

(FY2023)(D)

Chemicals	33.2
Performance Materials	70.6
Agrochemicals	119.5
Healthcare	8.6
Trading	40.0
Others	21.1
Adjustment	30.5
Total	323.5

## ROA(FY2023)

(B)/(D)

Chemicals	0.2%
Performance Materials	31.9%
Agrochemicals	19.6%
Healthcare	32.6%
Trading	9.3%
Others	2.8%
Total	14.9%

1. Including inter-segment sales/transfers

3. FY2021: Including Sales decrease due to changes in accounting policies (see p52)

4. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiroyo, and others  
Adjustment: Planning & Development Division and others

5. Sales and OP for Planning & Development Division in FY2021 - FY2023 Actual and FY2024 Outlook are disclosed on p42

6. Organizational changes were implemented in April 2022. Figures are based on an old segmentation until FY2020.

FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53).

2. FY2019- : New OP method

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

B. FY2019 restated based on new methods

C. Consolidation items

(such as unrealized gain on inventories)

- (Old method) Included in each segment

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

# Quarterly Sales Trend by Segment (FY2021 - 1Q FY2024)

(¥billion)

	FY2021 Actual					FY2022 Actual					FY2023 Actual					FY2024 Actual	FY2024 Outlook			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	1Q	2Q	2H	Total
Chemicals	8.8	8.3	10.5	10.0	37.6	10.4	9.4	10.1	9.1	39.0	9.1	8.8	9.6	8.1	35.6	8.9	9.1	9.0	19.6	37.7
Fine Chemicals	3.2	3.0	3.7	3.2	13.1	4.2	3.5	3.3	2.8	13.8	3.0	3.0	3.0	2.6	11.6	3.1	3.1	3.0	6.1	12.2
Basic Chemicals	5.6	5.3	6.8	6.8	24.5	6.2	5.9	6.8	6.3	25.2	6.1	5.8	6.6	5.5	24.0	5.8	6.0	6.0	13.5	25.5
Performance Materials	20.0	19.6	20.9	21.2	81.7	21.8	20.2	20.6	20.0	82.6	20.8	19.7	21.4	22.7	84.6	23.5	22.1	22.6	47.2	91.9
Agrochemicals	13.4	11.6	11.9	28.9	65.8	19.7	16.0	13.1	32.8	81.6	18.8	16.5	13.2	33.6	82.1	20.4	19.9	16.9	48.1	84.9
Healthcare	1.1	2.2	2.0	1.3	6.6	1.7	1.5	1.6	1.9	6.7	2.0	1.5	1.3	1.5	6.3	1.5	1.8	1.2	3.4	6.4
Healthcare	0.6	0.8	0.5	0.6	2.5	0.8	0.6	0.4	0.6	2.4	0.6	0.7	0.6	0.4	2.3	0.3	0.3	0.5	1.1	1.9
Custom Chemicals	0.4	1.5	1.4	0.8	4.1	0.8	1.0	1.2	1.3	4.3	1.3	0.9	0.7	1.0	4.0	1.2	1.5	0.7	2.3	4.5
Trading	17.8	18.6	22.2	21.8	80.4	23.7	24.0	27.0	24.4	99.1	24.3	24.5	28.3	26.7	103.8	27.5	24.1	26.2	53.8	104.1
Others	4.9	5.5	6.1	7.1	23.6	6.5	5.9	6.7	7.3	26.4	6.4	5.9	6.0	11.8	30.1	6.3	6.2	6.2	16.3	28.7
Adjustment	-19.5	-20.5	-24.1	-23.6	-87.7	-25.5	-25.8	-29.4	-26.6	-107.3	-26.5	-26.1	-30.2	-33.0	-115.8	-29.4	-27.0	-28.7	-63.9	-119.6
Total	46.5	45.3	49.5	66.7	208.0	58.3	51.2	49.7	68.9	228.1	54.9	50.8	49.6	71.4	226.7	58.7	56.2	53.4	124.5	234.1

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. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiryo, and others, Adjustment: Planning & Development Division, and others

4. Sales and OP for Planning & Development Division in FY2021 - FY2023 Actual and FY2024 Outlook are disclosed on p42

5. Organizational changes were implemented in April 2022. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

# Quarterly OP Trend by Segment (FY2021 - 1Q FY2024)

(¥billion)

	FY2021 Actual					FY2022 Actual					FY2023 Actual					FY2024 Actual	FY2024 Outlook			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	1Q	2Q	2H	Total
Chemicals	1.3	-0.1	1.3	1.3	3.8	1.7	-0.6	0.4	-0.1	1.4	0.9	-1.0	0.4	-0.3	0.0	0.7	-0.1	-0.1	0.8	0.6
Performance Materials	6.9	6.2	7.6	6.9	27.6	7.9	6.0	6.9	4.6	25.4	6.5	4.6	6.3	5.1	22.5	7.0	5.5	6.8	12.1	24.4
Agrochemicals	4.0	2.9	3.0	8.2	18.1	6.8	5.3	3.1	7.9	23.1	6.6	5.0	2.9	8.9	23.4	6.9	7.0	5.4	11.7	24.1
Healthcare	0.3	1.1	0.9	0.5	2.8	0.8	0.7	0.6	0.9	3.0	1.1	0.7	0.5	0.5	2.8	0.6	0.6	0.3	1.4	2.3
Healthcare	0.2	0.3	0.2	0.2	0.8	0.4	0.2	0.1	0.2	0.9	0.3	0.3	0.2	0.2	0.9	0.0	0.1	0.1	0.3	0.5
Custom Chemicals	0.1	0.8	0.8	0.3	2.0	0.4	0.5	0.6	0.7	2.1	0.8	0.4	0.3	0.4	1.9	0.6	0.6	0.2	1.1	1.8
Trading	0.7	0.6	0.9	0.7	2.9	1.0	0.9	1.0	0.8	3.7	0.9	0.9	1.0	0.9	3.7	1.0	0.7	0.8	1.7	3.2
Others	0.1	-0.1	0.2	0.5	0.7	0.1	0.0	0.2	0.6	0.9	0.2	0.0	-0.3	0.7	0.6	0.1	0.0	0.0	0.7	0.7
Adjustment	-1.4	-1.2	-1.3	-1.0	-4.9	-1.0	-1.4	-1.6	-1.2	-5.2	-1.2	-1.1	-1.5	-1.0	-4.8	-1.9	-1.8	-1.1	-2.4	-5.3
Total	11.9	9.4	12.6	17.1	51.0	17.3	10.9	10.6	13.5	52.3	15.0	9.1	9.3	14.8	48.2	14.4	11.9	12.1	26.0	50.0

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

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiryo, and others, Adjustment: Planning & Development Division, and others

3. Sales and OP for Planning & Development Division in FY2021 - FY2023 Actual and FY2024 Outlook are disclosed on p42

4. Organizational changes were implemented in April 2022. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p53)

# Changes in Accounting Policies (from FY2021)

Changed accounting policies from FY2021. No change from FY2020 Presentation Materials announced in May 2021

## 1. Changes in accounting policies:

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

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

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

### A. Agent transactions

Mainly effected segments	Chemicals, Agrochemicals, Trading
Before adoption	Sales = gross amount from the customer, Sales expenses = amount paid to the supplier
After adoption	Sales = gross amount from the customer - amount paid to the supplier
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)
Before adoption (until FY2021)	Royalties revenue on MSD <sup>3</sup> 's sales for Jan-June: recognized in Aug, July-Dec: recognized in Feb
After adoption (from FY2021)	Royalties revenue on MSD <sup>3</sup> 's sales for Jan-Mar: recognized in May, Apr-June: recognized in Aug, July-Sep: recognized in Nov, Oct-Dec: recognized in Feb

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

### C. Sales discount subject to change at the selling timing

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

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

	FY2021 Actual						
	1Q	2Q	1H	3Q	4Q	2H	Total
Sales Impact <sup>1</sup>	-3.5	-7.4	-10.9	-1.7	-10.3	-12.0	-22.9
OP Impact <sup>2</sup>	+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

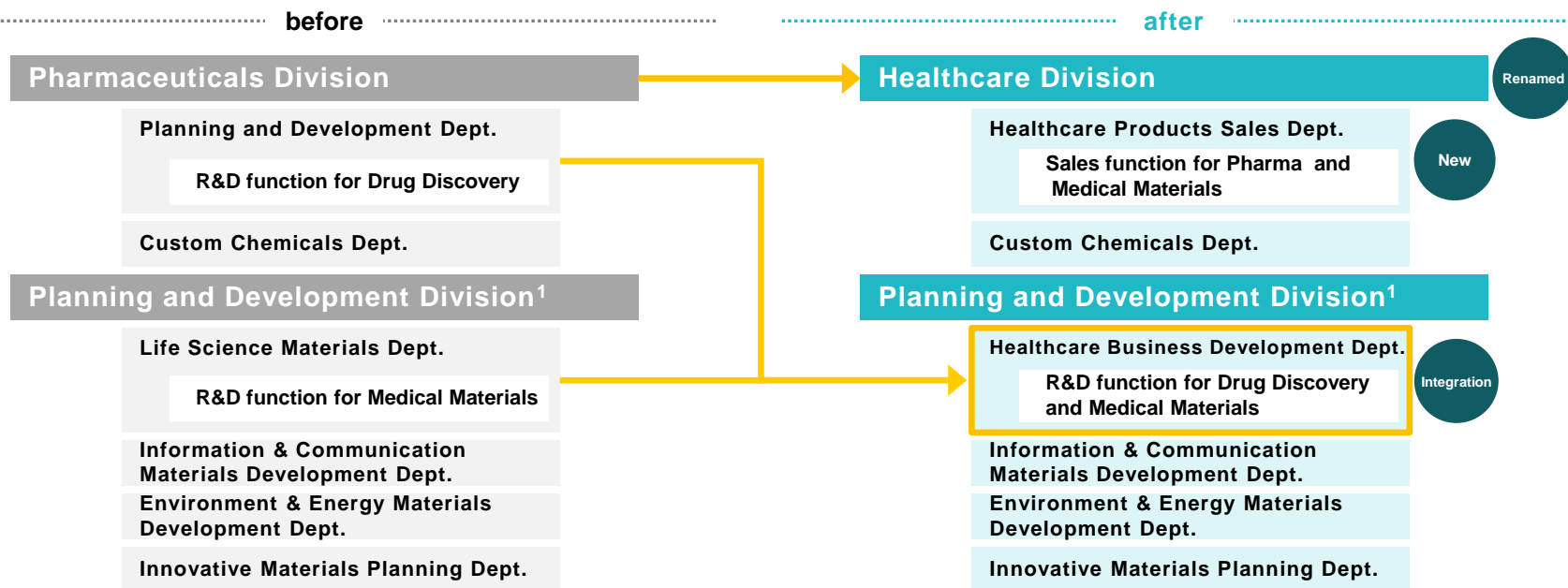
2. Total impact of Royalties based on sales amount and Sales discount subject to change at the selling timing

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.  
(No change from 1Q FY2022 Presentation Materials announced in Aug 2022)

## Organizational Changes 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.)



1. Planning and Development Division is included in “Adjustment” segment.

Sales and OP for Planning & Development Division in FY2021 - FY2023 Actual, FY2024 Outlook and FY2027 Outlook of Mid-Term Plan are disclosed on P42

# 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 related products	agent used for sterilizing, disinfectant for swimming pool and septic tanks, etc.
		FINEOXOCOL	cosmetics, lubricants, adhesive
	Basic Chemicals	Melamine (sales ended in December 2022)	adhesive agent
		AdBlue®	solution of urea in demineralised water for diesel vehicles to reduce NOx
		High purity sulfuric acid	agents used for cleaning semiconductors
		Ammonia, Sulfuric acid, Nitric acid, Urea	
Performance Materials	Display Materials	SUNEVER	LCD alignment coating
		(Main Mode) VA (Vertical Alignment)	TV
		IPS (In-Plane Switching)	Smartphone, Tablet, PC, Monitor, Automobile
	Semis Materials	ARC®(ArF, KrF)	bottom anti-reflective coating for semiconductors
		OptiStack®	multi layer process material for semiconductors (Si-HM/SOC)
		EUV materials	EUV process materials (Under Layer/Si-HM)
	Inorganic Materials	SNOWTEX	water dispersed colloidal silica sol for polishing silicon wafers, special steel sheets
		Organo/Monomer Sol	film coating, antistatic interference shielding, electronic printing materials, resin additive
		Oilfield materials	for enhancing oil recovery
	Agrochemicals	Herbicide	TARGA
PERMIT			corn, sugarcane, rice
ROUNDUP			non-selective herbicide for orchard, noncrop land
ALTAIR			rice
Insecticide		GRACIA	vegetables, tea
Fungicide		LEIMAY	potato, vegetables, grape
		DITHANE (MANCOZEB)	fruits, vegetables
Animal health product		Fluralaner	active substance of BRAVECTO® (veterinary medical product for dogs and cats) and EXZOLT® (for poultry, cattle, and sheep)
Healthcare		LIVALO API	anti-cholesterol drug
		Custom Chemicals	solution proposal business and joint development business

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.

3. BRAVECTO® and EXZOLT® are registered trade mark of MSD.

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The forward looking statements in this material are based on information available at the time of preparation of the material. Although they reflect our current expectations, these statements are not guarantees of future performance, but include a number of risks and uncertainties. Actual results may largely differ from these statements due to various factors which may be beyond company control.

No information in this material is provided as an offer to buy or sell the shares of the company. We urge users of the material to make investment decision based upon own judgment.

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