



**Nissan Chemical**  
CORPORATION

## **Nissan Chemical Corporation**

1Q FY2024 Financial Results Briefing

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**Daimon:** I am Daimon of Nissan Chemical Corporation. I will now begin my presentation.

## 1Q FY2024 Financial Summary



1Q	vs. 1Q Outlook as of May 2024	<ul style="list-style-type: none"><li>■ Sales above target ¥2.5 billion (+4%)</li><li>■ OP above target ¥2.5 billion (+21%)</li><li>■ Net Income above target ¥2.3 billion (+25%)</li></ul>
1Q	vs. 1Q FY2023	<ul style="list-style-type: none"><li>■ Sales up ¥3.8 billion (+7%)</li><li>■ OP down ¥0.6 billion (-4%) (OP up ¥0.1 billion in main segments<sup>1</sup>)</li><li>■ Net Income down ¥0.6 billion (-5%)</li></ul>
Shareholder Returns		<ul style="list-style-type: none"><li>■ 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)</li></ul>
FY2024 Outlook		<ul style="list-style-type: none"><li>■ FY2024 Outlook for 1H and full year remain unchanged from those announced on May 13, 2024</li></ul>

1. Chemicals, Performance Materials, Agrochemicals, Healthcare

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Please turn to page four. As a summary, compared to the forecast announced in May, sales were above the forecast by JPY2.5 billion and operating profit was above the forecast by same JPY2.5 billion or 21%. Net income was above the forecast by JPY2.3 billion.

Compared to the same period last year, sales increased by JPY3.8 billion, while operating profit decreased by JPY0.6 billion. Total operating profit for four major segments increased JPY0.1 billion YoY. Net profit decreased by JPY0.6 billion.

Concerning shareholder return, we have already announced the additional share repurchase of JPY5.0 billion on May 28, in addition to the JPY5.0 billion announced on May 13. As a result, we announced upper limit of JPY10.0 billion for the period from May to March next year. There is no change for that.

As for the earnings forecast, we usually do not revise the forecast in 1Q, so we have decided to leave the 1H and full-year forecasts unchanged from the time they were announced in May.

Regarding the exchange rate assumptions made at the time of the earnings forecast in May, we have assumed an exchange rate of JPY145 to the dollar in 1H and JPY140 in 2H. These figures remain unchanged.

## 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

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The actual figures are on the next page, page five. As you can see in the middle column, for 1Q of FY2024, sales were JPY58.7 billion, operating profit was JPY14.4 billion, non-operating income was JPY1.6 billion with foreign exchange gains of JPY1.3 billion, ordinary income was JPY16.0 billion, net income was JPY11.6 billion, and EBITDA was JPY18.0 billion. Operating margin was 24.6%, which is slightly more than 3 percentage points higher than the forecast.

The exchange rate during the period was JPY156, which, as I mentioned earlier, was estimated at JPY145 in the earnings forecast, but the dollar appreciated by about JPY11.

## 1Q FY2024 Financial Summary YOY Change

(¥billion)

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

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

The next page, page six is YoY comparisons. Please check this later.

## Analysis of Changes in OP

		FY2024 Actual	Outlook	vs. Outlook	FY2023 Actual	YOY Change
		<b>14.4 billion</b>	<b>11.9 billion</b>	<b>+2.5 billion (+21%)</b>	<b>15.0 billion</b>	<b>-0.6 billion (-4%)</b>
<b>1Q</b>	<b>Chemicals</b>	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			
	<b>Performance Materials</b>	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			
	<b>Agro</b>	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.			
	<b>Healthcare</b>	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

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Continuing, page seven, as usual, is the analysis of changes in operating profit by segment. First, in the Chemicals segment, the profit was above the forecast by JPY0.8 billion. However, this increase is mainly due to a decrease in fixed costs etc., in other words, the effect of inventory adjustment cost. This was a factor that contributed to the increase in profit, and in a sense, it was a temporary one.

On the other hand, profit decreased JPY0.2 billion YoY. Sales of TEPIC and high purity sulfuric acid increased, while sales of urea/AdBlue decreased, partly due to the Noto Peninsula earthquake in January. In addition, fixed costs etc. increased, mostly due to inventory adjustment cost. These factors resulted in lower profits.

In the Performance materials segment, operating profit was above the forecast by JPY1.5 billion. The large increase above the forecast was due to sales increase in Semis materials and Inorganic materials despite sales decrease in Display materials. Compared to the same period last year, sales of Display materials decreased, but sales of Semis materials and Inorganics materials increased, resulting in an increase of JPY0.5 billion in profit.

In the Agrochemicals segment, profit was slightly below the forecast. The decrease was due to sales decrease in TARGA and increase of JPY0.1 billion in fixed cost, etc., despite sales increase in GRACIA, etc. The JPY0.1 billion increase in fixed costs, etc. was actually due to a slight impact from inventory adjustment cost, although fixed costs themselves declined. This resulted in JPY0.1 billion decrease in profit.

On the other hand, profit increased by JPY0.3 billion YoY due to increase in sales in GRACIA, Fluralaner, PERMIT, et cetera.

Lastly, in the Healthcare segment, profit was in line with the forecast but decreased by JPY0.5 billion YoY. This was due to the decrease in sales of LIVALO and the decrease in sales of Custom Chemicals in 1Q due to the postponement of shipments to 2Q.

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



	1Q FY2023 Actual	1Q FY2024 Actual	YOY Change	(Billion) 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

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The next page, page eight, shows the breakdown of non-operating income/loss and extraordinary income/loss. Please see the third column from the left. Non-operating income/loss decreased by JPY0.45 billion YoY, which is an increase of about JPY1.3 billion from the forecast. In addition, there is no profit/loss as stated for extraordinary income/loss.

The exchange rates at the end of March and June for dollar-yen are as shown in note one at the bottom.

## Cash Flows

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

Moving on to page nine, cash flow. As stated on the top of the page, free cash flow was JPY12.5 billion, an increase of JPY5.3 billion YoY.

Cash and deposits were about JPY34.0 billion, as shown in the bottom line. We continue to have ample cash and deposits.

Regarding shareholder returns, both dividends and share buybacks, as shown above, are almost on par with last year.

## Balance Sheets

(¥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>	<b>17.4</b>	<b>17.1</b>	<b>17.5</b>	<b>+0.4</b>
(Number of stocks held, Non-consolidated basis)	(26)	(24)	(24)	(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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Moving on to the balance sheet on page 10. As you can see on the top left, on the asset side, total assets increased by JPY12.3 billion from the end of March. The increase in cash and inventories stands out.

On the other hand, on the liabilities side on the right, there is an increase of JPY10.4 billion in others on the liabilities. This includes a JPY10.0 billion straight bond issue in mid-June.

As you can see on the lower right, the equity ratio was 66.5%, slightly down from the previous year, but the D/E ratio remained in the single-digit percentage range, which indicates our healthy financial condition.

In terms of the breakdown of investment securities, as you can see at the bottom, the percentage of strategic shareholdings to net assets was 7.9% at the end of June, remaining below the 10% level.



## 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)

Next, YoY comparison of financial results by segment is on page 12.

## 1Q FY2024 Financial Results Compared to Outlook by Segment

(¥billion)

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

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On page 13 of the comparison to the forecast, as I mentioned earlier, the operating profit of the Performance materials segment is above the forecast by JPY1.5 billion or 28%. This is purely since the Semis materials and the Inorganic materials performed well.

[1Q] Sales down ¥0.2 billion, OP down ¥0.2 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

(¥billion)

	[1Q] Sales & OP up	[1Q] Sales & OP down
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%
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%

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Next is the Chemicals segment. Please jump to page 15. This shows the YoY comparison for 1Q. As shown at the top of the page, sales and operating profit decreased by JPY0.2 billion respectively. As I mentioned earlier, although it is not shown here, the decrease of JPY0.2 billion in operating profit is mainly due to the impact of the expense side in the inventory adjustment cost.

Specifically, in the Fine Chemicals shown on the lower left, both sales and operating profit increased, with sales of TEPIC for general application up 61% due to an increase in volume. In addition, sales of TEPIC for electronic materials increased 28% YoY, which means that TEPIC is gradually on an increasing trend.

Moving on to the Basic Chemicals. As you can see on the right, both sales and operating profit decreased. In particular, sales of urea/AdBlue declined 26%. This is due to the impact of lower shipments, resulting from lower inventory level than usual caused by the effect of the Noto Peninsula earthquake, as I mentioned earlier.

On the other hand, sales of high purity sulfuric acid increased by 36%, which means that both volume and price are rising.

[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	

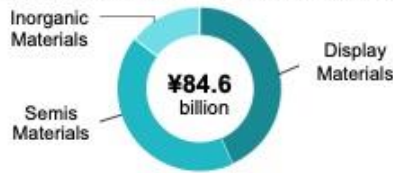
1. Fixed cost & others: including inventory adjustment cost

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Moving on to page 16. This is a comparison to the forecast. Sales were below the forecast by JPY0.2 billion and operating profit was above the forecast by JPY0.8 billion. As I mentioned earlier, the increase is due to a decrease in fixed cost & others, especially the impact of inventory adjustment cost, which accounts for the majority of the increase in income. Specifically, production prior to the regular maintenance was slightly larger than planned at the beginning of the year, resulting in this one-time increase in profit.

Major products in Fine Chemicals and Basic Chemicals are listed at the bottom. In Fine Chemicals, sales of TEPIC was above the forecast, while in Basic Chemicals, sales of urea/AdBlue was below the forecast and sales of high purity sulfuric acid was above the forecast.

Sales by subsegment (FY2023 Actual)

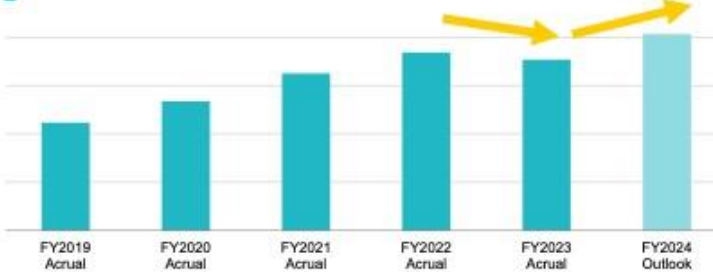


Sales Trend of Display Materials



- 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

Moving on to the Performance Materials Segment. Please skip to page 19. The graph on this page is basically for the full year, so I have not changed it. In terms of Display Materials, it is very clear that the market is recovering after bottoming out in FY2022, and that the shift to photo IPS is progressing well.

As for Semis Materials, there was a temporary adjustment phase in FY2023, as shown in the lower right-hand corner. However, the market recovery trend is expected to continue, so the mid- to long-term growth trend remains unchanged. Also, there is no change in continuous growth in EUV materials.

- 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

The specific figures are on page 20 showing sales growth of main products. As shown in the table below, as noted at the top of the page, sales of Display Materials fell 4% YoY in 1Q and also fell short of the earnings forecast. However, QoQ shows an increase in sales.

As I will explain later, photo IPS for smartphones temporarily came out a little lower than our forecast.

On the other hand, Semis Materials increased 33% YoY in 1Q, and as you can see in the figures at the bottom, ARC, multi layer process materials, and EUV materials showed considerable growth, showing an increase in sales both to forecast and QoQ.

Sales of Inorganic Materials were also solid, with a 12% YoY increase and an increase compared to the forecast.

**[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

#### Display Materials [1Q] Sales & OP down

Photo IPS	Sales down (smartphone down, monitor and automobile up)
Rubbing IPS	Sales down
VA	Sales flat
Fixed cost & others up ¥0.1 billion	

#### Semis Materials [1Q] Sales & OP up

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	
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Next, page 21 shows YoY results. Sales of the segment as a whole increased JPY2.7 billion and operating profit increased JPY0.5 billion.

It says the increase in fixed cost & others is JPY1.2 billion. As I mentioned already, depreciation and amortization of Semis Materials, in particular, increased due to the construction of the second plant in Korea, which accounted for almost all of the JPY1.2 billion.

As for Display Materials at the bottom left, as I mentioned earlier, photo IPS sales declined slightly due to a drop in smartphone sales, but sales for monitors and automobile showed a double-digit percentage increase. In addition, sales of rubbing IPS were down and sales of VA were flat.

On the other hand, sales and operating profit in Semis Materials increased, which means that the market is recovering, especially in the advanced generation. Also, sales and operating profit in Inorganic Materials increased due to strong sales of SNOWTEX for general applications and polishing.

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

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

(¥billion)

Segment	[1Q] Sales & OP below target	[1Q] Sales & OP above target
Display Materials	Photo IPS Sales below target (smartphone and monitor below target)	ARC® Sales above target
	Rubbing IPS Sales above target	Multi layer process materials Sales above target
	VA Sales in line with target	EUV materials Sales above target
	Fixed cost & others less than outlook ¥0.1 billion	Semis market (mainly advanced materials) recovering, Fixed cost & others less than outlook ¥0.3 billion
Inorganic Materials	[1Q] Sales & OP above target	Sales above target in SNOWTEX (non-polishing, polishing), Organo/Monomer Sol

Page 22 shows the result in Performance Materials Segment compared to the forecast. As mentioned at the top of the page, sales exceeded the forecast by JPY1.4 billion and operating profit exceeded forecast by JPY1.5 billion, while fixed cost & others fell short of the forecast by JPY0.5 billion, which was the contributing factor to an increase in profit. Of these, both fixed costs and inventory adjustment cost contributed slightly to an increase in profit.

Specifically, as you can see on the lower left, sales of Display Materials fell short of the forecast, especially for smartphones and monitors, which we had expected to be strong, but in 1Q sales fell slightly short of the forecast. On the other hand, rubbing IPS outperformed the forecast by double digits. VA was in line with the forecast.

As a result, sales and operating profit in the Display Materials were below the forecast, while sales and operating profit in the Semis Materials were above the forecast significantly. Similarly, sales and operating profit of Inorganic Materials were above the forecast.



■ [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
<b>Total Segment<sup>2</sup></b>		-	<b>+8%</b>	<b>Above</b>

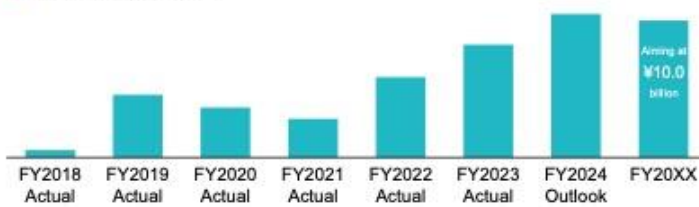
Reference

[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



Next, Agrochemicals. Please jump to page 24. As mentioned at the top of the page, 1Q sales increased by 8% YoY. It also exceeded the forecast.

On YoY basis, the sales of ALTAIR, GRACIA, PERMIT, and LEIMAY increased, while TARGA decreased.

In addition, sales of the animal health product Fluralaner were in line with the forecast, with an 11% increase YoY.

**[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	Product Name	Description
	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)

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Specifically, the next page, page 25, shows YoY comparisons. Sales increased JPY1.6 billion and operating profit increased JPY0.3 billion. There was an increase in fixed cost & others of JPY0.8 billion, almost all of which was a net increase in fixed costs. As I may have mentioned before, fixed costs increased due to an increase in various advertising expenses and fixed cost of NC Agro Hakodate, which was newly included in the scope of consolidation, as well as a slight increase in depreciation at the NBR plant in India compared to a year ago.

In addition, with the launch of the former NC-653 VERDAD this year, there has been a slight increase in depreciation costs for capital investment in domestic plants for this product.

In terms of major products, as shown below, sales of ALTAIR and GRACIA, as I mentioned earlier, increased due to sales expansion in Asia. On the other hand, TARGA's sales decreased due to the shipment shift to FY2023 and the impact of distribution inventories in Europe.

In addition, sales of PERMIT and LEIMAY increased due to increased demand, as noted here. As for Fluralaner, shipments of API were on a par with the previous year, but royalty income increased due in part to the impact of the depreciation of the yen.

**[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)

	(¥billion)		
	1Q FY2024 Outlook	1Q FY2024 Actual	vs. Outlook
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

| 26

Page 26 shows the comparison to the forecast. Sales exceeded the forecast by JPY0.5 billion, and operating profit fell short of the forecast by JPY0.1 billion which is a slight decline. Fixed cost & others was above the forecast by JPY0.1 billion, resulting in lower profit.

Regarding fixed cost & others, fixed costs themselves were below the forecast, but due to inventory adjustment cost is above the forecast by JPY0.1 billion in net, which caused the decline in profit.

For each of the major products, there is little change from what I said earlier in YoY. Please check this later.

Pages 27 through 31 are almost unchanged from the May announcement, so I will omit them. Please check this later.

**[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

Finally, the Healthcare Segment on page 34. Compared to the same period of the previous year, both sales and operating profit decreased by slightly less than JPY0.5 billion. Sales of LIVALO declined, both in Japan and exports. Sales of Custom Chemicals were affected by the postponement of shipments to 2Q. In addition, income decreased due to a slight increase in fixed cost & others.

**[1Q] Sales below target ¥0.30 billion, OP in line with target**

	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

(¥billion)

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

On the other hand, as shown on page 35, operating profit was in line with the forecast. The breakdown was as noted for Healthcare and Custom Chemicals, respectively, below.

## 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)



### 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

Finally, the ESG topic. Please skip to page 40. Let me explain just GHG emissions. As you can see in the graph below, the actual amount of GHG emissions in FY2023 was 285 thousand tons, a decrease compared to the previous year.

The target for FY2027 is a 30% reduction compared to FY2018, so we are working toward this goal and are currently implementing the initiatives shown in the lower right-hand corner of this page.

I am sorry I took so long, but that's all I have to say.

## Question & Answer

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### <Questioner 1>

**Q:** I have the impression that SUNEVER's 1Q results are quite weak compared to the market environment. You mentioned earlier that this is temporary. Could you tell us about the background to this situation, your view of 2Q and beyond, and your view of the movement of Semis Materials in 2Q and beyond?

**A:** As for SUNEVER, there was a slight slump in photo IPS for smartphones and monitors in 1Q, but we recognize that this is temporary, taking into account the current situation in which the numbers are expected to return in 2Q and thereafter. The reason for the poor performance in 1Q is that there was a shift to OLEDs for some smartphones, but we also suspect that there were inventory adjustments by panel makers and in the distribution of panels.

As for monitors, there have been some production adjustments for high-end monitors that use photo-alignment materials, but we have received information from customers that this adjustment will not be prolonged, so we are not particularly concerned about performance in 2Q and beyond.

In Semis Materials, in 1Q, both logic and memory for cutting-edge applications recovered, especially in the AI market. We expect this trend to continue to 2Q and beyond.

**Q:** Thank you very much. Second, could you explain the current business environment for Agrochemicals in Japan and overseas?

**A:** First, domestically, the situation in the industry is positive or negative by region, but we are doing well overall compared to the previous year.

Overseas, the market as a whole is probably showing a slight increase, but we are also seeing generally favorable results in all regions, although there are some positive and negative factors, depending on the product.

### <Questioner 2>

**Q:** First, let me ask you about Chemicals. In 1Q, sales of TEPIC for general application were up 61% and that for electronic materials was up 28%. It is on a recovery trend overall. Will this situation continue in 2Q and beyond?

In addition, I think you mentioned before that you would review the business model and structural reforms for the next fiscal year. Please let me know if this will be moved forward as scheduled.

**A:** First, regarding the increase in sales of TEPIC for general application and electronic materials in 1Q, we feel that the increase in volume was due in part to the fact that the excess inventory of customers in North America, particularly in TEPIC for general application, has been slightly resolved. Although there is a sense that it has bottomed out, the sales offensive by Chinese companies continues, and it is still too early to tell whether sales momentum will continue at the same level into 2Q.

TEPIC for electronic materials also saw an increase in sales, but demand is still a little weak.

As for structural reforms, we are still in the process of considering some issues within the company.

**Q:** Is it correct to say that you will proceed with structural reform-type things as planned?

**A:** Yes. That's right.

**Q:** Also, in terms of the outlook for 2Q, I think the original plan was for a JPY0.1 billion deficit to continue for 1Q and 2Q. Is 2Q likely to be in the deficit of JPY0.1 billion as planned?

**A:** Since August has only just begun, I cannot say anything definite, but one thing is clear: the inventory impact I mentioned earlier. An increase of JPY0.8 billion in 1Q will probably emerge as the opposite, cost side in 2Q. So, for now, I think that we are going to try to achieve the budget for 1H as originally planned.

**Q:** I see. So, in 2Q, you feel that there is a possibility that the company could go into the red again.

**A:** Since 2Q is originally a period for regular maintenance, it is usually in the red every year. I think it will be as same as every year.

### <Questioner 3>

**Q:** The first question is about Semis Materials. In 1Q, sales increased by 33% YoY, which is a very strong growth. Your original forecast was an increase of 13% YoY in sales in 1Q, so it outperformed significantly.

In addition to the growth of EUV, ARC and Multi layer process materials have been outperforming the plan. Could you tell me the background and the reason for this outperformance? In addition, please tell me in what region specifically has the Semis Materials grown? I think the materials for China are growing, but please tell me about it.

**A:** Regarding the outperformance in 1Q, as for the market situation, as I answered the earlier question, the market for AI was the driving force and it largely affected the performance of EUV and multi layer process materials.

By region, growth is centered on South Korea and Taiwan mainly in cutting-edge areas, but there is an upward trend overall, including China.

**Q:** Thank you very much. I hear that local Chinese manufacturers are gaining ground in other companies' semis materials. Is it safe to assume that this is rarely the case with ARC and multi-layer process materials?

**A:** We have received information that our customers are evaluating local products, but so far we have been able to maintain our market share.

**Q:** The rate of increase in sales in 1Q was quite high compared to other companies' semis materials, and the degree of increase compared to your plan was also high, so it would not be quite clear if it was simply due to the favorable market. Is there some temporary factor that caused a large increase in shipments?

Also, while you have a fairly high market share in ARC, I wonder if it was also affected by the weak performance of legacy semiconductors, but I can't see that at all in the figures. Could you explain about it?

**A:** We have brought forward inventory for some products to 1Q, and I think this may have contributed to the increase.

**Q:** Are there areas where things like the increase in market share are working better than expected?



**A:** The market share itself has not changed that much, but we continue to maintain a high market share.

**Q:** I see. Thank you. The second point is about Agrochemicals. This one also exceeded the plan. On page 24, you have listed the outperformance and underperformance against the forecast of each product, and on page 26, you have given us a qualitative explanation. Could you give me more detailed explanation for each of major products? I am particularly interested in GRACIA, LEIMAY, and ALTAIR.

I think the market environment, especially overseas, was not so good, but what was the reason for the outperformance in that situation? I would also like to ask whether the shortage of container vessels has had any particular impact on your company. Please tell me about Agrochemicals including that point.

**A:** First, regarding GRACIA, shipments in Japan were strong, especially for large standard products. Overseas, shipments to India and other Asian countries are also progressing well.

As for LEIMAY, shipments were a little sluggish in Europe last year, but this year sales are increasing due to increased demand for potatoes.

As for ALTAIR, there are some shipment shifted from FY2023, and we have been able to achieve positive results from expanded sales this fiscal year.

Also, we do not think that the impact of the transport vessel was that great in our case.

**Q:** With respect to GRACIA, is there any aspect of your company increasing its market share while other companies are struggling, especially with container vessels?

**A:** It is difficult to know to what extent other companies have suffered negative impacts, so we do not think that this is the reason for the growth of GRACIA. We believe GRACIA has grown due to the increase in shipping countries and other factors.

#### <Questioner 4>

**Q:** The first point is about Fluralaner. We have heard that inventory adjustments are occurring in some veterinary drugs downstream. We would like to know what the current inventory level is for Fluralaner.

Could you also give us an update on the situation of patent extension in the US?

Also, I think that the BRAVECTO injectable solution will be rolled out sequentially, but I would like to know if you have already begun to capture the demand for Fluralaner for the injectable solution, and if we can expect it to boost your business performance in any way.

**A:** We don't know that much about Merck's inventory. We see that they do not have an excessive amount of our API themselves at least. I don't think that our inventory of Fluralaner, the API, will ever accumulate on their side.

I have a feeling that our shipments of APIs will continue to be strong in 2Q and beyond, but since we are still in the middle of the term, I cannot say for sure, but that is my impression.

There is no update on the patent extension, and the US continues to be in discussions. We are not concerned about it much. The fact that it is in the process of discussions has not been changed.

Regarding the injectable solution, approval was granted in Europe in January of this year, and there are countries that are expected to approve it after that, but we are still unable to give a definite answer.

**Q:** Thank you very much. The second point is about Display Materials. Basically, we understood that the underperformance against your plan this time was temporary. On the other hand, I feel that the shift to OLEDs is moving a little too quickly, and I would like to know your company's current perception on the shift to OLEDs, and whether you feel that it is a little earlier than your assumptions. Also, I would like to know whether there is any change in the progress of Photo IPS penetration. In addition, we received your comments on smartphones and monitors, but could you please explain the progress of tablets, notebook PCs, and automobiles compared to your assumption?

**A:** As you mentioned in your question, the shift to OLEDs in smartphones is indeed underway. It is true that LCDs have decreased compared to last year. On the other hand, as I mentioned earlier, SUNEVER in 1Q was excessively weak not only because of the shift, but also because of some inventory adjustments. However, as we expect it to recover in 2Q, I do not think it declined excessively.

In addition, in terms of the trend from 4Q to 1Q apart from smartphones, the shift to photo IPS is progressing steadily, and the growth in automobiles was particularly noticeable. As for IT, the situation with monitors is as I mentioned earlier, and we are seeing a good response to the recovery of notebook PCs. Also, we believe that the situation is solid with a gradual shift from rubbing to IPS for tablets.

#### <Questioner 5>

**Q:** The first point is that I would like you to sort out the impact of the exchange rate. In 1Q of this fiscal year, the yen depreciated to JPY156, and in YoY terms, the yen depreciated tremendously, and I think the yen depreciated considerably compared to the plan of JPY145. I am wondering if that foreign exchange effect, for example, has contributed to the increase in profit. I think your company has a certain level of sensitivity, but I would appreciate it if you could sort that out.

**A:** As a rough estimate of the assumption at the beginning of this fiscal year, if the dollar moves JPY1 per dollar, it would contribute about JPY0.3 billion to annual operating profit. The strong dollar is favorable for us.

The forecast at the beginning of the year was based on an assumed exchange rate of JPY145, and the average exchange rate for the past three months in 1Q was JPY156, which means that we benefitted by about JPY10. In simple calculation, we can assume roughly that the positive impact to operating profit was one fourth of JPY3.0 billion, which is about JPY0.7 billion. Although I can't clearly grasp this on a one-to-one basis, I believe that such things are probably included.

**Q:** Since the yen has been appreciating in 2Q, is it correct to say that there will be a rebound between 1Q and 2Q?

**A:** However, the outlook was originally set at JPY145, so from our point of view, the current exchange rate level has been achieved as originally expected. On the other hand, in other areas, such as Semis Materials, Display Materials, and Agrochemicals, as I mentioned earlier, I think that compared to the outlook, their performance is not bad at all. I cannot say anything definite now, but I don't have much of an impression that there will be a decrease due to the exchange rate.

**Q:** I understand. Secondly, I think you explained 3D packaging process materials (Temporary adhesive materials) for semis materials at last year's briefing. I would like to know the situation of the materials.

HBM4 will come out, I believe, but I think the technological trend will change to the one that hybrid bonding will be used. At that time, I wonder if your company's materials will finally start to grow, or if it is more in the sense of future expectations, since it is still a long way off.

**A:** Regarding 3D packaging process materials, what is now in mass production in the market is the generation 3 and 3E, the generation before HBM4. We are considering a time frame of around 2026 for the mass production of HBM4.

Hybrid bonding is one of the candidates, but there are several generations of HBM4, and it will be a little longer before we know whether it will be put into practical use or not.

In terms of development, we are working on improving materials such as heat resistance and developing a new platform. We are now in the process of research and development to increase the market share of HBM4.

We have a certain share in the market of HBM3E and the volume is just now growing.

**Q:** Does your company's 3D packaging process materials grow significantly only after HBM4 generation comes?

**A:** No, I think that the 3E generation will continue to grow and branch out, and our products are also being used in some of them, so I think that the volume will increase in the near future.

#### <Questioner 6>

**Q:** First, the inventory balance seems to be increasing compared to three months ago and one year ago. I would appreciate your comments on whether this is a problem.

**A:** As you pointed out, in the balance sheet on page 10 of presentation materials, there has been an increase in inventories of approximately JPY11.7 billion compared to one year ago. The majority of these are Agrochemicals.

I think this breakdown is, to some extent, unavoidable. First, for materials that are growing now, such as GRACIA, for example, we can also expect an increase in shipments from 2Q onward. Also, the NBR plant in India is now in full-scale operation and is coming on stream smoothly, so inventories have increased a little compared to a year ago. I do not see that as a particular problem, as I am sure that the shipment will go smoothly.

The production of the original VERDAD, or NC-653 as it was formerly called, is now underway. Now we have obtained the registration. When there are such things, there is inevitably a bit of an increase in the inventory ahead of the schedule, so I think that is temporary.

In any case, our policy is still to gradually reduce the level of the inventory, but the number has increased due to the circumstances I have just mentioned. That's all from me.

[END]