



Nissan Chemical
CORPORATION
WHERE IT ALL BEGINS

November 11, 2024

Presentation for Investors

2Q FY2024 (April 1, 2024 - September 30, 2024) Financial Results

Translation of presentation materials for the conference call held on November 11, 2024

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1H

vs. 1H FY2023

- Sales up ¥12.5 billion (+12%)
- OP up ¥4.2 billion (+18%)
- Net Income up ¥1.0 billion (+5%)

1H

vs. 1H Outlook
as of May 2024

- Sales above target ¥8.6 billion
- OP above target ¥4.3 billion
- Net Income above target ¥2.4 billion

Shareholder Returns

- Dividend 1H ¥70/share (same as 1H FY2023)
- Share Repurchase 1H a ¥5.0 billion completed (1,061 thousand shares)

Revision of Outlook

- Revised upward FY2024 Outlook announced in May 2024 (see p9)

1H FY2024 Financial Summary YOY Change

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Sales	54.9	50.8	105.7	58.7	59.5	118.2	+3.8	+8.7	+12.5 (+12%)
Operating Profit	15.0	9.1	24.1	14.4	13.9	28.3	-0.6	+4.8	+4.2 (+18%)
Non-Operating Income/Expenses	2.0	0.1	2.1	1.6	-2.0	-0.4	-0.4	-2.1	-2.5
Foreign exchange Gains/Losses	1.5	0.4	1.9	1.3	-2.1	-0.8	-0.2	-2.5	-2.7
Ordinary Income	17.0	9.2	26.2	16.0	11.9	27.9	-1.0	+2.7	+1.7 (+7%)
Extraordinary Income/Losses	0.0	0.6	0.6	0.0	0.8	0.8	0.0	+0.2	+0.2
Net Income ¹	12.2	7.3	19.5	11.6	8.9	20.5	-0.6	+1.6	+1.0 (+5%)
EBITDA ²	17.8	12.2	30.0	18.0	16.5	34.5	+0.2	+4.3	+4.5
EPS (¥/share)	87.40	52.15	139.55	83.78	65.00	148.78	-3.62	+12.85	+9.23
Dividend (¥/share)	-	-	70	-	-	70	-	-	0
Total amount of Dividend	-	-	9.8	-	-	9.6	-	-	-0.2
OP Margin	27.3%	17.9%	22.8%	24.6%	23.4%	24.0%	-2.7pt	+5.5pt	+1.2pt
FX Rate (¥/\$)	137	145	141	156	150	153	-	-	-
Crude Oil (JCC) (\$/bbl) ³	83	83	83	88	86	87	-	-	-

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

1H FY2024 Financial Summary Compared to Outlook

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Actual			vs. Outlook		
	1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Sales	56.2	53.4	109.6	58.7	59.5	118.2	+2.5	+6.1	+8.6 (+8%)
Operating Profit	11.9	12.1	24.0	14.4	13.9	28.3	+2.5	+1.8	+4.3 (+18%)
Non-Operating Income/Expenses	0.3	-1.0	-0.7	1.6	-2.0	-0.4	+1.3	-1.0	+0.3
Foreign exchange Gains/Losses	0.0	0.0	0.0	1.3	-2.1	-0.8	+1.3	-2.1	-0.8
Ordinary Income	12.2	11.1	23.3	16.0	11.9	27.9	+3.8	+0.8	+4.6 (+20%)
Extraordinary Income/Losses	0.0	0.7	0.7	0.0	0.8	0.8	0.0	+0.1	+0.1
Net Income ¹	9.3	8.8	18.1	11.6	8.9	20.5	+2.3	+0.1	+2.4 (+13%)
EBITDA ²	-	-	31.3	18.0	16.5	34.5	-	-	+3.2
EPS (¥/share) ³	-	-	131.23	83.78	65.00	148.78	-	-	+17.55
Dividend (¥/share)	-	-	70	-	-	70	-	-	0
Total amount of Dividend	-	-	9.7	-	-	9.6	-	-	-0.1
OP Margin	21.2%	22.7%	21.9%	24.6%	23.4%	24.0%	+3.4pt	+0.7pt	+2.1pt
FX Rate (¥/\$)	145	145	145	156	150	153	-	-	-
Crude Oil (JCC) (\$/bbl) ⁴	82	82	82	88	86	87	-	-	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization

3. EPS was revised to reflect share repurchase (¥10.0 billion, announced on May 28) 4. Based on Trade Statistics of Japan Ministry of Finance

Analysis of Changes in OP

(¥)

		FY2024 Actual	FY2023 Actual	YOY Change	Outlook as of May 2024	vs. Outlook
		28.3 billion	24.1 billion	+4.2 billion(+18%)	24.0 billion	+4.3 billion
1H	Chemicals	YOY Change -0.3 billion	OP decrease due to fixed cost etc. ¹ up despite sales flat			
		vs. Outlook -0.2 billion	OP decrease due to sales decrease in nitric acid products and urea/AdBlue®			
	Performance Materials	YOY Change +3.3 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials			
		vs. Outlook +2.1 billion	OP increase due to sales increase in Semis Materials and Inorganic Materials			
	Agro	YOY Change +2.6 billion	OP increase due to sales increase in Fluralaner, GRACIA, and LEIMAY etc.			
		vs. Outlook +1.8 billion	OP increase due to sales increase in Fluralaner, GRACIA, and LEIMAY etc.			
	Healthcare	YOY Change -0.5 billion	OP decrease due to sales decrease in LIVALO and fixed cost etc. up			
		vs. Outlook +0.4 billion	OP increase due to sales increase in Custom Chemicals			

1. Fixed cost etc.: including inventory adjustment cost

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FY2024 Full-Year Outlook

OP was revised upward to ¥53.0 billion from the outlook of ¥50.0 billion announced in May 2024

Full-Year

vs. FY2023

- Sales up ¥18.3 billion (+8%)
- OP up ¥4.8 billion (+10%), Net Income up ¥1.4 billion (+4%)
- ROE Outlook for FY2024 is 17.1%

Full-Year

vs. Outlook
as of May 2024

- Sales above target ¥10.9 billion
- OP above target ¥3.0 billion, Net Income above target ¥1.0 billion

2H

vs. 2H FY2023

- Sales up ¥5.8 billion (+5%)
- OP up ¥0.6 billion (+2%), Net Income up ¥0.4 billion (+2%)

2H

vs. Outlook
as of May 2024

- Sales above target ¥2.3 billion
- OP below target ¥1.3 billion, Net Income below target ¥1.4 billion

Shareholders Return (Full-Year Outlook)

- Annual dividend is ¥164/share (unchanged from May 2024)
- ¥10.0 billion share repurchase planned (period: April 2024- March 2025)

Dividend	¥164/share (Full-Year) 1H ¥70/share, 2H ¥94/share (Dividend Payout Ratio : 57.4%) [vs. FY2023] same [vs. Outlook as of May 2024] unchanged
Share Repurchase	¥10.0 billion (period: April 2024 – March 2025)(FY2023 Actual: ¥10.0 billion, 1.7 million shares)
Share Cancellation	Cancelled 1 million shares in September 2024
Total Payout Ratio Outlook	82.4%
Mid-Term Plan Target	Total Payout Ratio Target: 75%, Dividend Payout Ratio Target: 55%

FY2024 Outlook Summary YOY Change

(¥billion)

	FY2023 Actual					FY2024 Outlook as of Nov 2024					YOY Change				
	1H	3Q	4Q	2H	Total	1H Actual	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	105.7	49.6	71.4	121.0	226.7	118.2	52.2	74.6	126.8	245.0	+12.5 (+12%)	+2.6	+3.2	+5.8 (+5%)	+18.3 (+8%)
Operating Profit	24.1	9.3	14.8	24.1	48.2	28.3	9.4	15.3	24.7	53.0	+4.2 (+18%)	+0.1	+0.5	+0.6 (+2%)	+4.8 (+10%)
Non-Operating Income/Expenses	2.1	-0.5	1.8	1.3	3.4	-0.4	0.3	0.3	0.6	0.2	-2.5	+0.8	-1.5	-0.7	-3.2
Foreign exchange Gains/Losses	1.9	-0.8	1.1	0.3	2.2	-0.8	0.0	0.0	0.0	-0.8	-2.7	+0.8	-1.1	-0.3	-3.0
Ordinary Income	26.2	8.8	16.6	25.4	51.6	27.9	9.7	15.6	25.3	53.2	+1.7 (+7%)	+0.9	-1.0	-0.1 (-1%)	+1.6 (+3%)
Extraordinary Income/Losses	0.6	0.0	-0.4	-0.4	0.2	0.8	0.0	0.6	0.6	1.4	+0.2	0.0	+1.0	+1.0	+1.2
Net Income ¹	19.5	6.5	12.0	18.5	38.0	20.5	7.2	11.7	18.9	39.4	+1.0 (+5%)	+0.7	-0.3	+0.4 (+2%)	+1.4 (+4%)
EBITDA ²	30.0	12.9	19.1	32.0	62.0	34.5	-	-	32.9	67.4	+4.5	-	-	+0.9	+5.4
EPS (¥/share)	139.55	46.47	86.80	133.27	272.82	148.78	-	-	137.16	285.94	+9.23	-	-	+3.89	+13.12
Dividend (¥/share)	70	-	-	94	164	70	-	-	94	164	0	-	-	0	0
Dividend Payout Ratio (%)	-	-	-	-	60.1%	-	-	-	-	57.4%	-	-	-	-	-2.7pt
Total amount of Dividend	9.8	-	-	13.0	22.8	9.6	-	-	12.9	22.5	-0.2	-	-	-0.1	-0.3
OP Margin	22.8%	18.8%	20.7%	19.9%	21.3%	24.0%	18.0%	20.4%	19.4%	21.6%	+1.2pt	-0.8pt	-0.3pt	-0.5pt	+0.3t
ROE	-	-	-	-	17.1%	-	-	-	-	17.1%	-	-	-	-	0.0pt
FX Rate (¥/\$)	141	148	149	148	145	153	145	145	145	149	-	-	-	-	-
Crude Oil (JCC) (\$/bbl) ³	83	91	84	88	86	87	87	87	87	87	-	-	-	-	-

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

FY2024 Outlook Summary Compared to Outlook as of May 2024

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	109.6	124.5	234.1	118.2	126.8	245.0	+8.6 (+8%)	+2.3 (+2%)	+10.9 (+5%)
Operating Profit	24.0	26.0	50.0	28.3	24.7	53.0	+4.3 (+18%)	-1.3 (-5%)	+3.0 (+6%)
Non-Operating Income/Expenses	-0.7	1.2	0.5	-0.4	0.6	0.2	+0.3	-0.6	-0.3
Foreign exchange Gains/Losses	0.0	0.0	0.0	-0.8	0.0	-0.8	-0.8	0.0	-0.8
Ordinary Income	23.3	27.2	50.5	27.9	25.3	53.2	+4.6 (+20%)	-1.9 (-7%)	+2.7 (+5%)
Extraordinary Income/Losses	0.7	0.7	1.4	0.8	0.6	1.4	+0.1	-0.1	0.0
Net Income ¹	18.1	20.3	38.4	20.5	18.9	39.4	+2.4 (+13%)	-1.4 (-7%)	+1.0 (+3%)
EBITDA ²	31.3	34.3	65.6	34.5	32.9	67.4	+3.2	-1.4	+1.8
EPS (¥/share) ³	131.23	147.85	279.08	148.78	137.16	285.94	+17.55	-10.69	+6.86
Dividend (¥/share)	70	94	164	70	94	164	0	0	0
Dividend Payout Ratio (%) ³	-	-	58.8%	-	-	57.4%	-	-	-1.4pt
Total amount of Dividend	9.7	13.0	22.7	9.6	12.9	22.5	-0.1	-0.1	-0.2
OP Margin	21.9%	20.9%	21.4%	24.0%	19.4%	21.6%	+2.1pt	-1.5pt	+0.2pt
ROE ³	-	-	16.7%	-	-	17.1%	-	-	+0.4pt
FX Rate (¥/\$)	145	140	143	153	145	149	-	-	-
Crude Oil (JCC) (\$/bbl) ⁴	82	82	82	87	87	87	-	-	-

1. Net Income = Profit Attributable to Owners of Parent 2. EBITDA = Operating Profit + Depreciation and amortization

3. EPS, Dividend Payout Ratio, and ROE were revised to reflect share repurchase (¥10.0 billion, announced on May 28) 4. Based on Trade Statistics of Japan Ministry of Finance

Analysis of Changes in OP

2H

FY2024 Outlook as of Nov 2024	FY2023 Actual	YOY Change
24.7 billion	24.1 billion	+0.6 billion(+2%)

Chemicals	YOY Change +0.4 billion	OP increase due to Sales increase in environmental related products, urea/AdBlue®, and high purified sulfuric acid
Performance Materials	YOY Change +2.5 billion	OP increase due to sales increase in Display Materials and Semis Materials
Agro	YOY Change -0.3 billion	OP decrease due to fixed cost etc. ¹ up(¥1.6 billion) despite sales increase in GRACIA and PERMIT etc.
Healthcare	YOY Change flat	

Full-Year

FY2024 Outlook as of Nov 2024	FY2023 Actual	YOY Change	Outlook as of May 2024	vs. Outlook
53.0 billion	48.2 billion	+4.8 billion(+10%)	50.0 billion	+3.0 billion

Chemicals	YOY Change +0.1 billion	OP increase due to sales increase in environmental related products and high purified sulfuric acid etc. despite fixed cost etc. ¹ up(¥1.3 billion)
	vs. Outlook -0.5 billion	OP decrease due to electricity cost, shipping cost, and fixed cost etc. up despite sales increase in Fine Chemicals
Performance Materials	YOY Change +5.8 billion	OP increase due to sales increase in Display Materials, Semis Materials, and Inorganic Materials
	vs. Outlook +3.9 billion	OP increase due to sales increase in Semis Materials and Inorganic Materials
Agro	YOY Change +2.3 billion	OP increase due to sales increase in GRACIA and Fluralaner etc.
	vs. Outlook +1.6 billion	OP increase due to fixed cost etc. down(¥1.2 billion) in addition to sales increase in Fluralaner and GRACIA etc.
Healthcare	YOY Change -0.5 billion	OP decrease due to sales decrease in LIVALO
	vs. Outlook in line	

1. Fixed cost etc.: including inventory adjustment cost

Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Losses YoY Change

(¥billion)

	FY2023 Actual			FY2024 Outlook as of Nov 2024			YOY Change		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Interest income, dividend income	0.44	1.28	1.72	0.59	1.11	1.70	+0.15	-0.17	-0.02
Equity in earnings of affiliates	0.40	0.14	0.54	0.14	0.84	0.98	-0.26	+0.70	+0.44
Foreign exchange gains/losses ¹	1.88	0.33	2.21	-0.83	0.00	-0.83	-2.71	-0.33	-3.04
Interest expense	-0.26	-0.27	-0.53	-0.35	-0.46	-0.81	-0.09	-0.19	-0.28
Loss on disposal of non-current assets, others	-0.36	-0.15	-0.51	0.05	-0.94	-0.89	+0.41	-0.79	-0.38
Non-Operating Income/Expenses	2.10	1.33	3.43	-0.40	0.55	0.15	-2.50	-0.78	-3.28
Extraordinary Income	0.60	0.73	1.33	0.82	0.60	1.42	+0.22	-0.13	+0.09
Extraordinary Losses	0.00	-1.18	-1.18	0.00	0.00	0.00	0.00	+1.18	+1.18
Extraordinary Income/Losses	0.60	-0.45	0.15	0.82	0.60	1.42	+0.22	+1.05	+1.27

1. FX Rate (¥/\$): 2023/3 133.54, 2023/9 149.58, 2024/3 151.40, 2024/6 161.14, 2024/9 142.82

Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Loss Compared to Outlook as of May 2024

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Interest income, dividend income	0.41	1.30	1.71	0.59	1.11	1.70	+0.18	-0.19	-0.01
Equity in earnings of affiliates	0.19	0.68	0.87	0.14	0.84	0.98	-0.05	+0.16	+0.11
Foreign exchange gains/losses ¹	0.00	0.00	0.00	-0.83	0.00	-0.83	-0.83	0.00	-0.83
Interest expense	-0.40	-0.39	-0.79	-0.35	-0.46	-0.81	+0.05	-0.07	-0.02
Loss on disposal of non-current assets, others	-0.82	-0.51	-1.33	0.05	-0.94	-0.89	+0.87	-0.43	+0.44
Non-Operating Income/Expenses	-0.62	1.08	0.46	-0.40	0.55	0.15	+0.22	-0.53	-0.31
Extraordinary Income	0.70	0.70	1.40	0.82	0.60	1.42	+0.12	-0.10	+0.02
Extraordinary Losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extraordinary Income/Losses	0.70	0.70	1.40	0.82	0.60	1.42	+0.12	-0.10	+0.02

1. FX Rate (¥/\$): 2023/3 133.54, 2023/9 149.58, 2024/3 151.40, 2024/6 161.14, 2024/9 142.82

Free cash flow in FY2024 Outlook is ¥34.5 billion, an increase of ¥19.5 billion from FY2023

(¥billion)

	FY2023 Actual		FY2024 Outlook as of Nov 2024		YOY Change	FY2024 Total Outlook as of May 2024
	1H	Total	1H Actual	Total	Total	
CF from operating activities	36.0	33.7	46.2	53.5	+19.8	49.5
Income before income taxes & non-controlling interests	26.8	51.8	28.8	54.6	+2.8	51.9
Extraordinary loss (income)	-0.6	-0.2	-0.8	-1.4	-1.2	-1.4
Depreciation & amortization ¹	5.9	13.8	6.2	14.4	+0.6	16.1
Income taxes paid	-8.6	-15.9	-5.8	-12.0	+3.9	-12.4
Working capital, others	12.5	-15.8	17.8	-2.1	+13.7	-4.7
CF from investing activities	-8.5	-18.7	-7.1	-19.0	-0.3	-20.3
Purchase of PPE ²	-11.0	-20.2	-9.5	-19.1	+1.1	-22.1
Purchase and sales of investment securities	0.7	1.6	-0.1	1.0	-0.6	1.9
Others	1.8	-0.1	2.5	-0.9	-0.8	-0.1
Free cash flow	27.5	15.0	39.1	34.5	+19.5	29.2
CF from financing activities	-36.2	-22.1	-31.1	-32.7	-10.6	-24.5
Payout to shareholders (dividend)	-13.2	-23.0	-13.0	-22.7	+0.3	-29.2
Payout to shareholders (share repurchase)	-5.0	-10.0	-5.0	-10.0	0.0	
Borrowings	-18.0	10.9	-13.0	0.0	-10.9	4.7
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate change on cash & cash equivalents	0.3	0.2	-0.3	0.0	-0.2	0.0
Change in cash & cash equivalents	-8.4	-6.9	7.8	1.8	+8.7	4.7
Cash & cash equivalents at end of period	21.2	22.7	30.5	24.5	+1.8	27.4

1. Including amortization of goodwill 2. Including intangible assets

Balance Sheets

(¥billion)

	2023/9	2024/3	2024/9	vs. 2024/3
Current assets	172.2	202.0	190.2	-11.8
Cash	21.2	22.7	30.4	+7.7
Accounts receivable	68.3	88.8	69.0	-19.8
Inventories	73.8	78.2	81.4	+3.2
Others	8.9	12.3	9.4	-2.9
Fixed assets	119.9	121.5	121.2	-0.3
Total PPE	75.9	77.4	77.3	-0.1
Intangible assets	11.3	10.7	10.6	-0.1
Investment securities	27.0	26.1	25.4	-0.7
Others	5.7	7.3	7.9	+0.6
Total assets	292.1	323.5	311.4	-12.1

	2023/9	2024/3	2024/9	vs. 2024/3
Liabilities	66.2	92.6	79.8	-12.8
Accounts payable	19.8	20.4	17.6	-2.8
Borrowings & Bonds	12.0	41.0	28.4	-12.6
Others	34.4	31.2	33.8	+2.6
Net assets	225.9	230.9	231.6	+0.7
Shareholders' equity ¹	210.2	213.9	216.5	+2.6
Valuation difference on available-for-sale securities	8.3	8.3	8.0	-0.3
Foreign currency translation adjustment	3.8	4.2	3.1	-1.1
Non-controlling interests	3.5	3.4	3.0	-0.4
Remeasurements of defined benefit plans	0.1	1.1	1.0	-0.1
Total liabilities & net assets	292.1	323.5	311.4	-12.1
Equity Ratio	76.1%	70.3%	73.4%	
D/E Ratio²	-4.4%	8.5%	-1.0%	

Breakdown of Investment Securities

	2023/9	2024/3	2024/9	vs. 2024/3
Listed shares³ (Number of stocks held, Non-consolidated basis)	17.4 (26)	17.1 (24)	16.9 (24)	-0.2 (0)
Unlisted shares	2.6	2.3	2.1	-0.2
Subsidiaries/Associate shares	7.0	6.7	6.4	-0.3
Total	27.0	26.1	25.4	-0.7
Strategic shareholdings on net assets⁴	8.0%	7.7%	7.5%	

Reference

2018/3

30.0

(55)

1.7

6.8

38.5

17.0%

1. Change in shareholders' equity +2.6 = Net Income 20.5 – Dividend and others 17.9

3. 2024/3 17.1 + Acquisition 0.0 + Sales and valuation difference -0.2 = 2024/9 16.9

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

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

Capex/Depreciation/R&D by Segment

Capex and Depreciation increased in recent years due to manufacturing capacity expansion (mainly overseas) in core growth businesses.

R&D expenses decreased temporarily in FY2020 and FY2021 due to COVID-19.

(¥billion)

	Capex ¹						Depreciation ²						R&D expenses					
	2020	2021	2022	2023	2024E as of May 2024	2024E as of Nov 2024	2020	2021	2022	2023	2024E as of May 2024	2024E as of Nov 2024	2020	2021	2022	2023	2024E as of May 2024	2024E as of Nov 2024
Chemicals ³	3.3	4.3	2.8	4.6	5.9	5.7	2.2	2.5	2.5	2.7	3.1	3.1	0.3	0.3	0.3	0.3	0.3	0.3
Performance M. ⁴	3.0	5.4	9.0	9.1	6.5	5.3	4.5	3.9	4.6	6.0	6.6	6.6	7.0	7.0	7.6	8.2	8.4	8.4
NCK ⁴	0.2	1.3	5.0	5.7	0.3	0.2	0.7	0.5	0.7	2.3	3.0	3.1	0.5	0.5	0.5	0.8	0.6	0.7
Agrochemicals ⁵	6.4	1.7	5.9	5.1	5.4	4.8	2.6	2.7	2.8	3.4	4.1	2.7	4.4	4.2	4.3	4.3	4.7	4.4
Healthcare ⁶	0.3	0.7	0.5	0.5	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4	2.4	0.6	0.4	0.4	0.5	0.5
Trading	0.2	0.0	0.1	0.0	0.8	0.6	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.1	0.3	1.1	0.9	2.8	2.1	0.5	0.6	0.7	1.2	1.3	1.5	2.4	3.9	4.2	4.1	4.3	4.1
Total	14.3	12.4	19.4	20.2	22.1	19.1	10.4	10.2	11.0	13.8	15.6	14.4	16.5	16.0	16.8	17.3	18.2	17.7

1. Capex: Cash flows basis

2. Depreciation Method

Domestic: Display Materials and Semis Materials: 4 year declining balance method (50% of initial capex amount in the 1st year)

Other products : 8 year declining balance method (25% of initial capex amount in the 1st year)

International: NCK: 6 year declining balance method (33% of initial capex amount in the 1st year), NBR: 10 year straight-line method

3. Capex FY2024E as of Nov 2024: including production facilities at Toyama plant (¥0.9 billion)

4. Capex FY2022: including NCK Semis new plant (¥4.6 billion), FY2023: including NCK Semis new plant (¥4.7 billion)

5. Capex FY2020: including the acquisition of DITHANE (¥5.4 billion), FY2022: including NBR 1st phase construction (¥4.3 billion)

FY2023: including production facilities at Onoda plant (¥2.6 billion), FY2024E as of Nov 2024: including production facilities at Onoda plant (¥1.8 billion)

Depreciation FY2024E as of Nov 2024: including a temporary factor (decrease in amortization expense of ¥1.1 billion)

6. Organizational changes were implemented in April 2022. (see p65)

Capex: FY2020-2021 figures are based on old segmentation

Depreciation, R&D expenses: FY2020 figures are based on old segmentation, FY2021 has been revised to reflect organizational changes in April 2022.

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1H FY2024 Financial Results YOY Change by Segment

(¥billion)

		FY2023 Actual			FY2024 Actual			YOY Change		
		1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Chemicals	Sales	9.1	8.8	17.9	8.9	9.0	17.9	-0.2	+0.2	0.0 (0%)
	OP	0.9	-1.0	-0.1	0.7	-1.1	-0.4	-0.2	-0.1	-0.3 (-)
Performance Materials	Sales	20.8	19.7	40.5	23.5	25.1	48.6	+2.7	+5.4	+8.1 (+20%)
	OP	6.5	4.6	11.1	7.0	7.4	14.4	+0.5	+2.8	+3.3 (+29%)
Agrochemicals	Sales	18.8	16.5	35.3	20.4	18.8	39.2	+1.6	+2.3	+3.9 (+11%)
	OP	6.6	5.0	11.6	6.9	7.3	14.2	+0.3	+2.3	+2.6 (+22%)
Healthcare	Sales	2.0	1.5	3.5	1.5	1.8	3.3	-0.5	+0.3	-0.2 (-7%)
	OP	1.1	0.7	1.8	0.6	0.7	1.3	-0.5	0.0	-0.5 (-30%)
Trading, Others, Adjustment	Sales	4.2	4.3	8.5	4.4	4.8	9.2	+0.2	+0.5	+0.7
	OP	-0.1	-0.2	-0.3	-0.8	-0.4	-1.2	-0.7	-0.2	-0.9
Total	Sales	54.9	50.8	105.7	58.7	59.5	118.2	+3.8	+8.7	+12.5 (+12%)
	OP	15.0	9.1	24.1	14.4	13.9	28.3	-0.6	+4.8	+4.2 (+18%)

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 p62, p63 for breakdown)

1H FY2024 Financial Results Compared to Outlook by Segment

(¥billion)

		FY2024 Outlook as of May 2024			FY2024 Actual			vs. Outlook as of May 2024		
		1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Chemicals	Sales	9.1	9.0	18.1	8.9	9.0	17.9	-0.2	0.0	-0.2 (-1%)
	OP	-0.1	-0.1	-0.2	0.7	-1.1	-0.4	+0.8	-1.0	-0.2 (-)
Performance Materials	Sales	22.1	22.6	44.7	23.5	25.1	48.6	+1.4	+2.5	+3.9 (+9%)
	OP	5.5	6.8	12.3	7.0	7.4	14.4	+1.5	+0.6	+2.1 (+17%)
Agrochemicals	Sales	19.9	16.9	36.8	20.4	18.8	39.2	+0.5	+1.9	+2.4 (+6%)
	OP	7.0	5.4	12.4	6.9	7.3	14.2	-0.1	+1.9	+1.8 (+15%)
Healthcare	Sales	1.8	1.2	3.0	1.5	1.8	3.3	-0.3	+0.6	+0.3 (+10%)
	OP	0.6	0.3	0.9	0.6	0.7	1.3	0.0	+0.4	+0.4 (+41%)
Trading, Others, Adjustment	Sales	3.3	3.7	7.0	4.4	4.8	9.2	+1.1	+1.1	+2.2
	OP	-1.1	-0.3	-1.4	-0.8	-0.4	-1.2	+0.3	-0.1	+0.2
Total	Sales	56.2	53.4	109.6	58.7	59.5	118.2	+2.5	+6.1	+8.6 (+8%)
	OP	11.9	12.1	24.0	14.4	13.9	28.3	+2.5	+1.8	+4.3 (+18%)

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 p62, p63 for breakdown)

FY2024 Financial Outlook YOY Change by Segment

(¥billion)

		FY2023 Actual					FY2024 Outlook as of Nov 2024					YOY Change				
		1H	3Q	4Q	2H	Total	1H Actual	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Chemicals	Sales	17.9	9.6	8.1	17.7	35.6	17.9	10.3	10.3	20.6	38.5	0.0 (0%)	+0.7	+2.2	+2.9 (+17%)	+2.9 (+8%)
	OP	-0.1	0.4	-0.3	0.1	0.0	-0.4	0.2	0.3	0.5	0.1	-0.3 (-)	-0.2	+0.6	+0.4 (-)	+0.1 (-)
Performance Materials	Sales	40.5	21.4	22.7	44.1	84.6	48.6	24.5	24.3	48.8	97.4	+8.1 (+20%)	+3.1	+1.6	+4.7 (+11%)	+12.8 (+15%)
	OP	11.1	6.3	5.1	11.4	22.5	14.4	7.3	6.6	13.9	28.3	+3.3 (+29%)	+1.0	+1.5	+2.5 (+22%)	+5.8 (+26%)
Agrochemicals	Sales	35.3	13.2	33.6	46.8	82.1	39.2	12.5	34.6	47.1	86.3	+3.9 (+11%)	-0.7	+1.0	+0.3 (+1%)	+4.2 (+5%)
	OP	11.6	2.9	8.9	11.8	23.4	14.2	2.4	9.1	11.5	25.7	+2.6 (+22%)	-0.5	+0.2	-0.3 (-3%)	+2.3 (+10%)
Healthcare	Sales	3.5	1.3	1.5	2.8	6.3	3.3	1.1	1.8	2.9	6.2	-0.2 (-7%)	-0.2	+0.3	+0.1 (+6%)	-0.1 (-2%)
	OP	1.8	0.5	0.5	1.0	2.8	1.3	0.3	0.7	1.0	2.3	-0.5 (-30%)	-0.2	+0.2	0.0 (+2%)	-0.5 (-18%)
Trading, Others, Adjustment	Sales	8.5	4.1	5.5	9.6	18.1	9.2	3.8	3.6	7.4	16.6	+0.7	-0.3	-1.9	-2.2	-1.5
	OP	-0.3	-0.8	0.6	-0.2	-0.5	-1.2	-0.8	-1.4	-2.2	-3.4	-0.9	0.0	-2.0	-2.0	-2.9
Total	Sales	105.7	49.6	71.4	121.0	226.7	118.2	52.2	74.6	126.8	245.0	+12.5 (+12%)	+2.6	+3.2	+5.8 (+5%)	+18.3 (+8%)
	OP	24.1	9.3	14.8	24.1	48.2	28.3	9.4	15.3	24.7	53.0	+4.2 (+18%)	+0.1	+0.5	+0.6 (+2%)	+4.8 (+10%)

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 p62, p63 for breakdown)

3. Sales and OP for Planning & Development Division in FY2023 Actual and FY2024 Outlook as of Nov 2024 are disclosed on p52

FY2024 Financial Outlook Compared to Outlook by Segment

(¥billion)

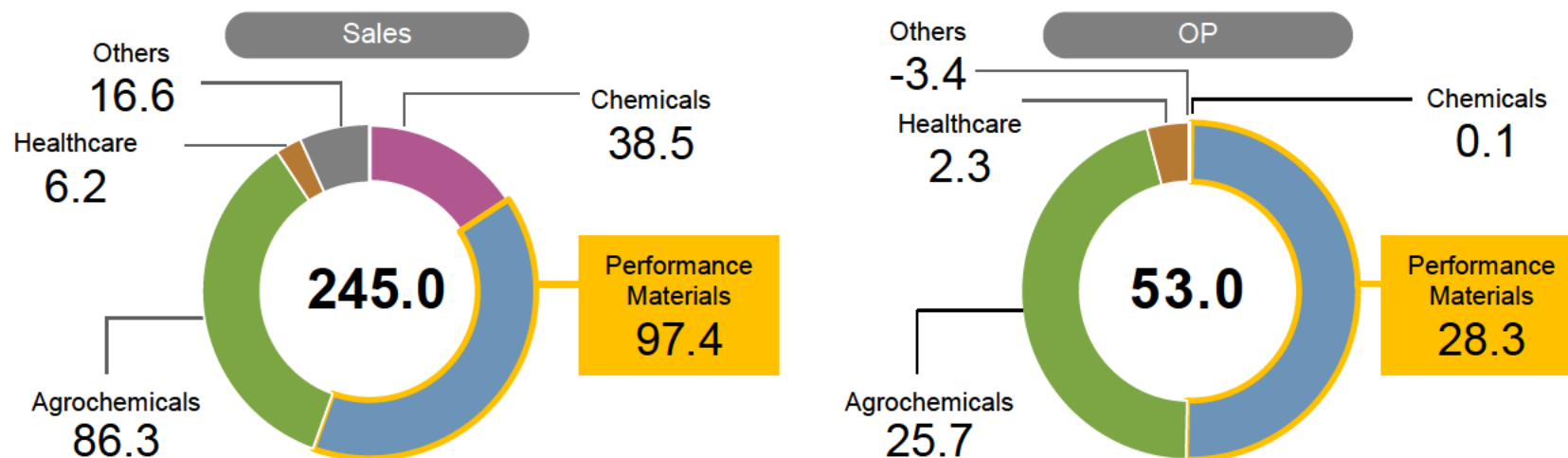
		FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
		1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Chemicals	Sales	18.1	19.6	37.7	17.9	20.6	38.5	-0.2 (-1%)	+1.0 (+5%)	+0.8 (+2%)
	OP	-0.2	0.8	0.6	-0.4	0.5	0.1	-0.2 (-)	-0.3 (-40%)	-0.5 (-83%)
Performance Materials	Sales	44.7	47.2	91.9	48.6	48.8	97.4	+3.9 (+9%)	+1.6 (+3%)	+5.5 (+6%)
	OP	12.3	12.1	24.4	14.4	13.9	28.3	+2.1 (+17%)	+1.8 (+15%)	+3.9 (+16%)
Agrochemicals	Sales	36.8	48.1	84.9	39.2	47.1	86.3	+2.4 (+6%)	-1.0 (-2%)	+1.4 (+2%)
	OP	12.4	11.7	24.1	14.2	11.5	25.7	+1.8 (+15%)	-0.2 (-2%)	+1.6 (+7%)
Healthcare	Sales	3.0	3.4	6.4	3.3	2.9	6.2	+0.3 (+10%)	-0.5 (-15%)	-0.2 (-3%)
	OP	0.9	1.4	2.3	1.3	1.0	2.3	+0.4 (+41%)	-0.4 (-26%)	0.0 (0%)
Trading, Others, Adjustment	Sales	7.0	6.2	13.2	9.2	7.4	16.6	+2.2	+1.2	+3.4
	OP	-1.4	0.0	-1.4	-1.2	-2.2	-3.4	+0.2	-2.2	-2.0
Total	Sales	109.6	124.5	234.1	118.2	126.8	245.0	+8.6 (+8%)	+2.3 (+2%)	+10.9 (+5%)
	OP	24.0	26.0	50.0	28.3	24.7	53.0	+4.3 (+18%)	-1.3 (-5%)	+3.0 (+6%)

1. Including inter-segment sales/transfers

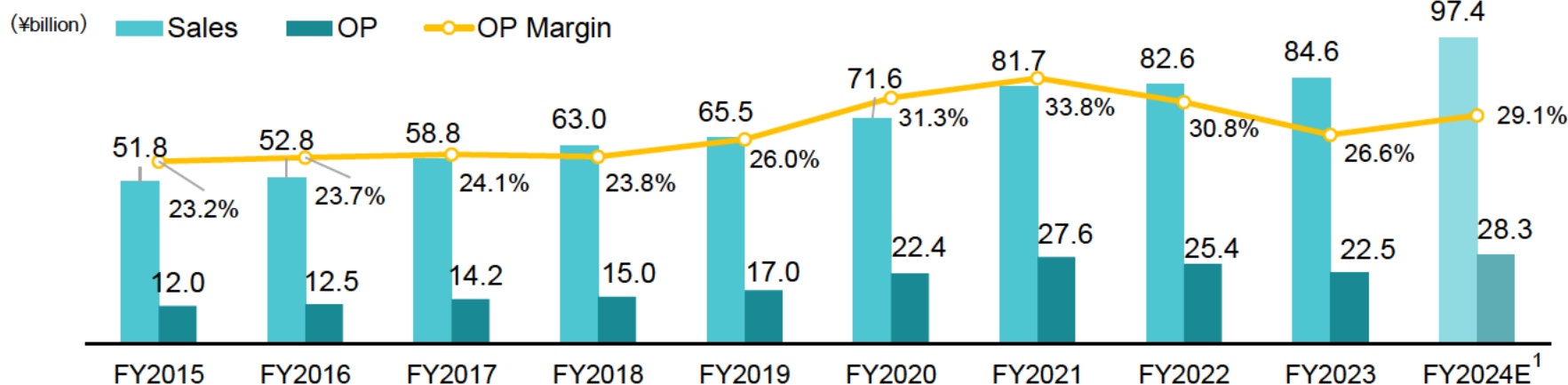
2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering,
NC Tokyo Bay, NC Agro Hakodate (Production of agrochemicals. Added as a consolidated subsidiary from FY2024), Nihon Hiryo, and others
Adjustment: Planning & Development Division and others (see p62, p63 for breakdown)

3. Sales and OP for Planning & Development Division in FY2023 Actual and FY2024 Outlook as of Nov 2024 are disclosed on p52

FY2024 Outlook by Segment (¥billion)¹



Performance Materials – Recent Financial Performance²



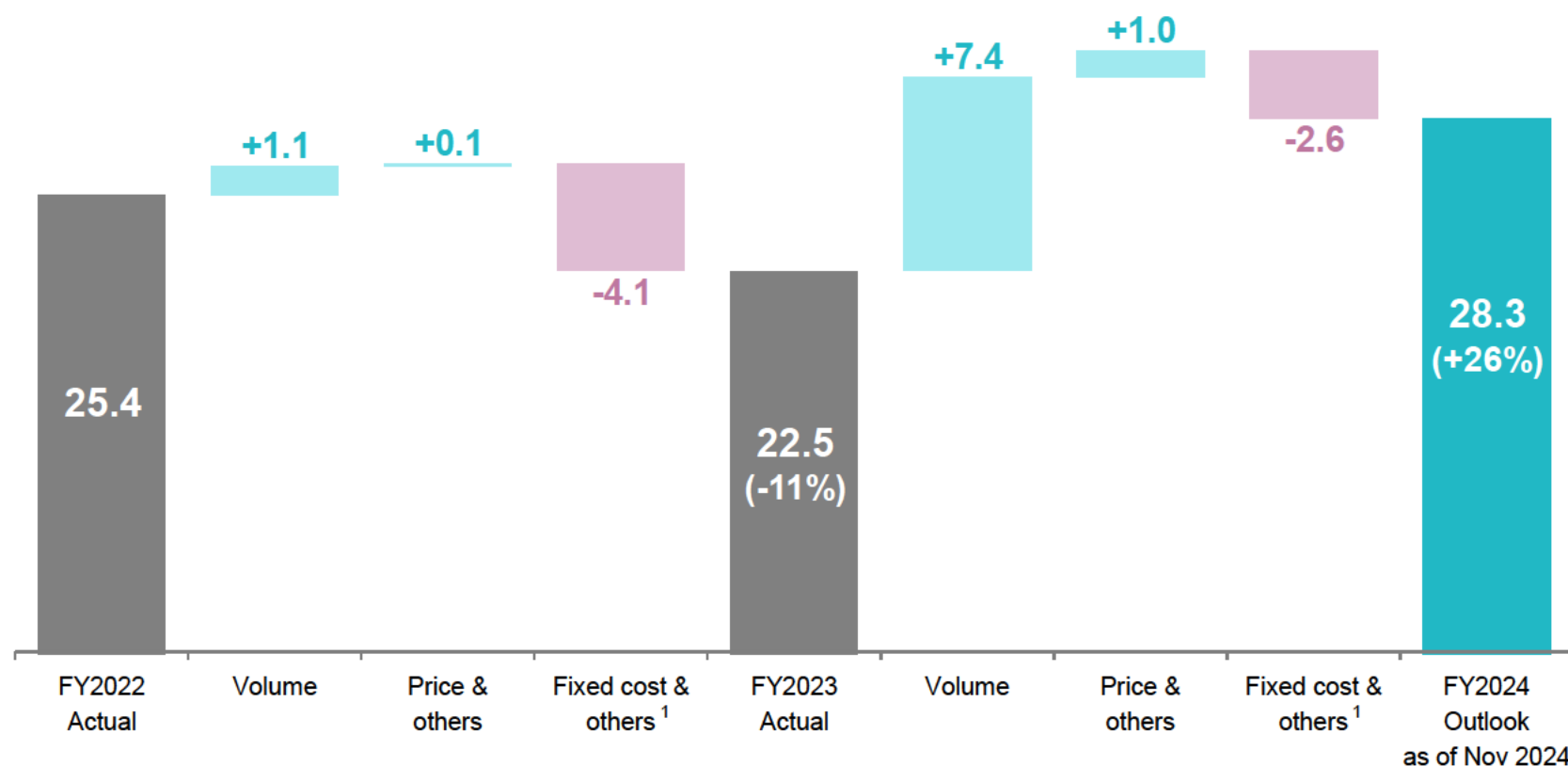
1. Outlook as of Nov 2024

2. 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 p65)

- OP Outlook in FY2024 substantially up due to volume increase in Display and Semis driven by the market recovery, despite fixed cost & others for future growth increased (OP YOY Change +26%)

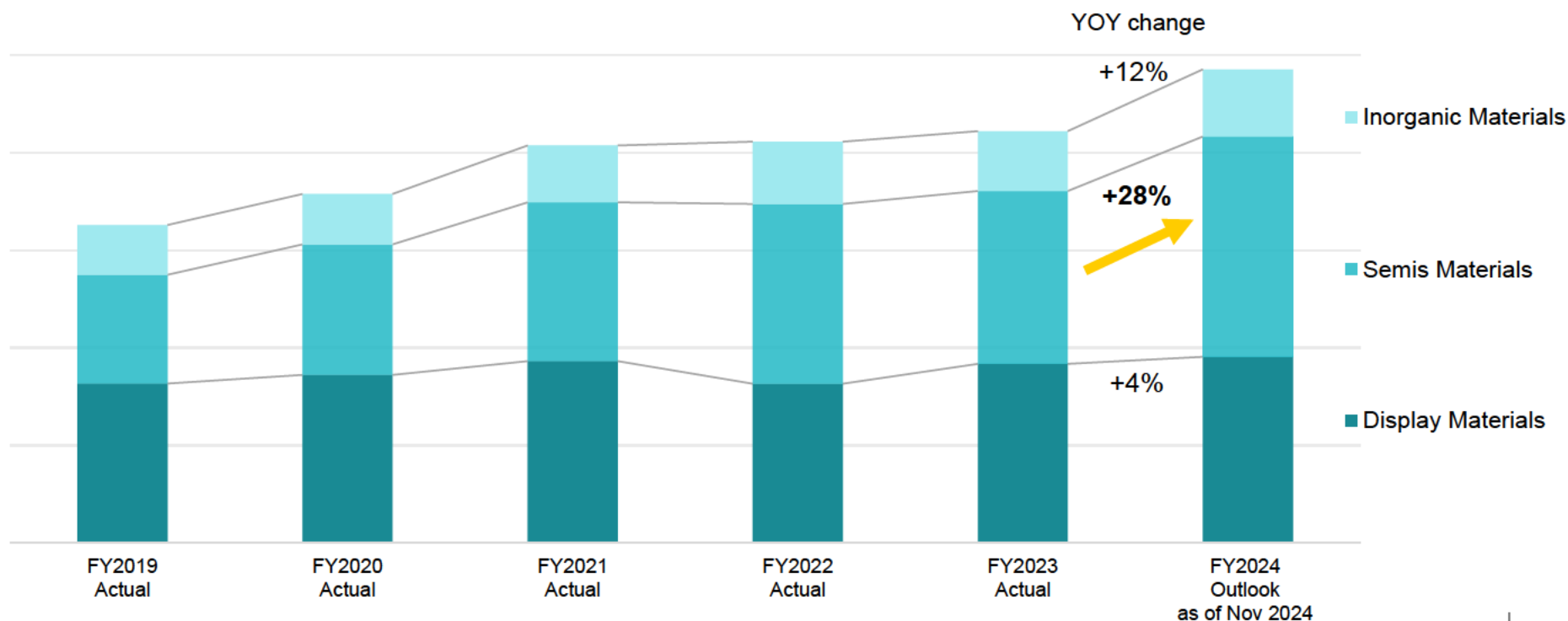
■ Analysis of Changes in OP (¥billion)



1. Fixed cost & others: including inventory adjustment cost

- DP Materials: Recovered after bottom-out in FY2022, have maintained stable sales as Cash Cow
- Semis Materials: High growth rate (YOY change) is expected as Semis market recovered after the temporary adjustment phase in FY2023. The mid- to long-term growth trend remains unchanged driven by strong sales in EUV materials due to increased customer production
- In terms of sales composition by subsegment, Semis materials, a growth driver, surpass DP materials

Sales Trend of Performance Materials by Subsegment



- DP Materials: 【1H】 Sales YOY +1%, Sales in line with target 【Full-Year Outlook】 Sales YOY +4%
- Semis Materials: 【1H】 Sales YOY +42%, Sales above target 【Full-Year Outlook】 Sales YOY +28%
- Inorganic Materials: 【1H】 Sales YOY +19%, Sales above target 【Full-Year Outlook】 Sales YOY +12%

Main Products	FY2024 Outlook as of May 2024					FY2024 Outlook as of Nov 2024				
	YOY Change					YOY Change				
	1Q	2Q	1H	2H	Total	1Q Actual	2Q Actual	1H Actual	2H	Total
Total Display Materials	+2%	+2%	+2%	+6%	+4%	-4%	+7%	+1%	+6%	+4%
ARC®	+3%	+24%	+13%	+5%	+9%	+22%	+43%	+32%	+11%	+21%
Multi layer process materials	+31%	+51%	+41%	+11%	+24%	+59%	+77%	+68%	+17%	+38%
EUV materials ¹	+39%	+32%	+35%	+38%	+37%	+42%	+45%	+44%	+44%	+44%
Total Semis Materials	+13%	+30%	+22%	+10%	+15%	+33%	+51%	+42%	+16%	+28%
Total Inorganic Materials	+3%	+11%	+7%	0%	+3%	+12%	+27%	+19%	+5%	+12%
Total Segment	+6%	+15%	+10%	+7%	+9%	+13%	+28%	+20%	+11%	+15%

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

(¥billion)

	FY2023 Actual			FY2024 Outlook as of Nov 2024			YOY Change		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	40.5	44.1	84.6	48.6	48.8	97.4	+8.1	+4.7	+12.8
OP	11.1	11.4	22.5	14.4	13.9	28.3	+3.3	+2.5	+5.8

Fixed cost & others [1H] up ¥2.1 billion [2H] up ¥0.5 billion [Total] up ¥2.6 billion

[1H][2H][Total] Sales & OP up

Display Materials	Photo IPS	Non-Smartphone overall up [1H] Sales up (notebook PC up) [2H] Sales up (large monitor up) [Total] Sales up (notebook PC and large monitor up)
	Rubbing IPS	[1H] Sales down [2H][Total] Sales up
	VA	[1H] Sales down [2H][Total] Sales up (TV production recovery)

Fixed cost & others
[1H] up ¥0.1 billion [2H] up ¥0.1 billion
[Total] up ¥0.2 billion

[1H][2H][Total] Sales & OP up

Semis market (mainly advanced materials) recovery
Inventory buildup at some customers in 2Q FY2024

Semis Materials	ARC®	[1H][2H][Total] Sales up
	Multi layer process materials	[1H][2H][Total] Sales up
	EUV materials	[1H][2H][Total] Sales up

Fixed cost & others
[1H] up ¥1.9 billion [2H] up ¥0.4 billion
[Total] up ¥2.3 billion

[1H] Sales & OP up [2H] Sales up, OP flat [Total] Sales & OP up

[Total] Sales up in SNOWTEX (especially polishing),
Organo/Monomer Sol

Inorganic
Materials

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	44.7	47.2	91.9	48.6	48.8	97.4	+3.9	+1.6	+5.5
OP	12.3	12.1	24.4	14.4	13.9	28.3	+2.1	+1.8	+3.9

Fixed cost & others 【1H】 more than outlook ¥0.5 billion 【2H】 less than outlook ¥0.7 billion 【Total】 less than outlook ¥0.2 billion

Display Materials

【1H】【Total】 Sales in line with target, OP above target

Photo IPS 【1H】【Total】 Sales in line with target

Rubbing IPS 【1H】【Total】 Sales above target (notebook PC and large monitor above target)

VA 【1H】【Total】 Sales below target

Fixed cost & others
 【1H】 less than outlook ¥0.2 billion
 【2H】 more than outlook ¥0.1 billion
 【Total】 less than outlook ¥0.1 billion

Semis Materials

【1H】【Total】 Sales & OP above target

Semis market (mainly advanced materials) recovery
 Inventory buildup at some customers in 2Q FY2024

ARC® 【1H】【Total】 Sales above target

Multi layer process materials 【1H】【Total】 Sales above target

EUV materials 【1H】【Total】 Sales above target

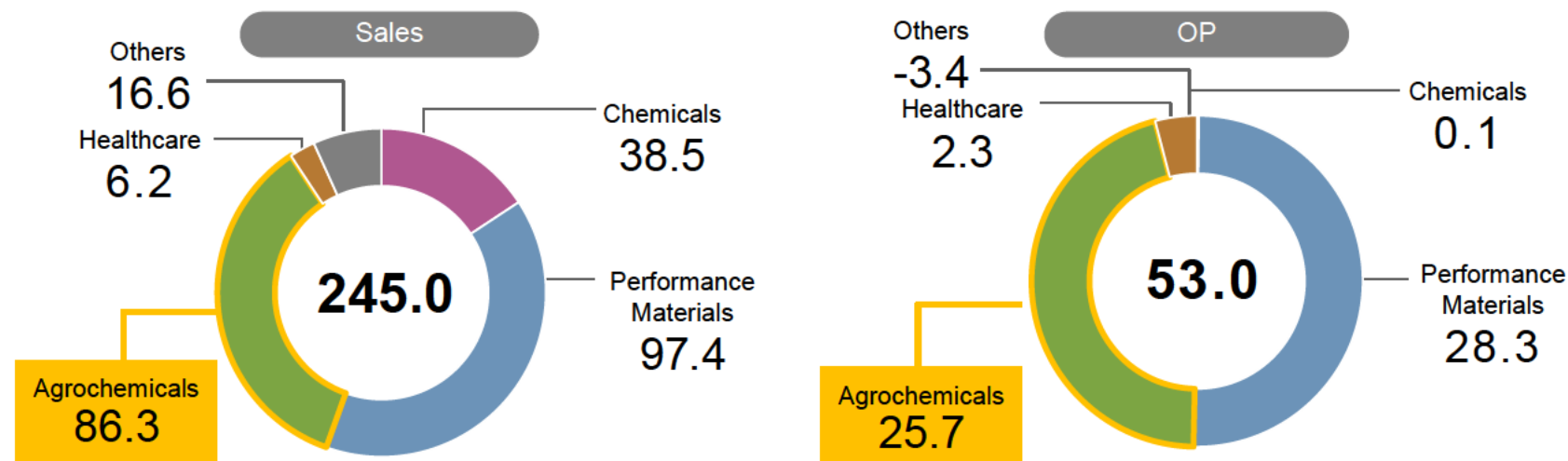
Fixed cost & others
 【1H】 more than outlook ¥ 0.7 billion
 【2H】 less than outlook ¥0.6 billion
 【Total】 more than outlook ¥0.1 billion

Inorganic Materials

【1H】【Total】 Sales & OP above target

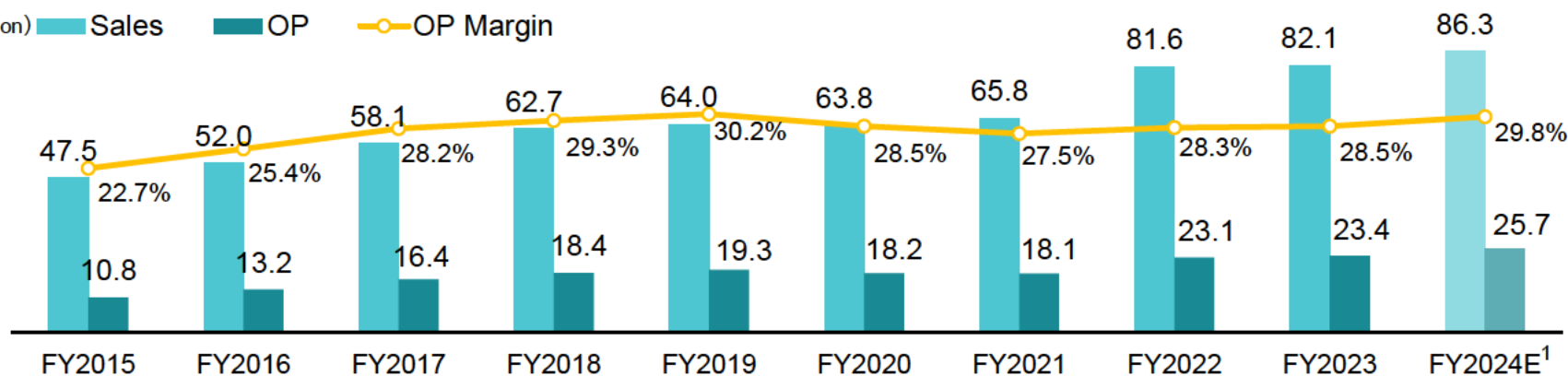
【Total】 Sales above target in SNOWTEX (especially polishing), Organo/Monomer Sol

FY2024 Outlook by Segment¹ (¥billion)



Agrochemicals – Recent Financial Performance²

(¥billion) Sales OP OP Margin



1. Outlook as of Nov 2024

2. 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 p65)

【1H】 Sales YOY +11%, Sales above target 【Full-Year Outlook】 Sales YOY +5%

Main Products (Agro: in order of FY2023 Sales amount)		Types	FY2024 Outlook as of May 2024					FY2024 Outlook as of Nov 2024				
			YOY Change					YOY Change				
			1Q	2Q	1H	2H	Total	1Q Actual	2Q Actual	1H Actual	2H	Total
Agro	ROUNDUP ¹	Herbicide	0%	+3%	+1%	+2%	+2%	-1%	-2%	-2%	-6%	-4%
	ALTAIR	Herbicide	+9%	+96%	+17%	+2%	+5%	+21%	+13%	+20%	-5%	0%
	GRACIA	Insecticide	+11%	+6%	+9%	+45%	+27%	+44%	+41%	+42%	+25%	+33%
	TARGA	Herbicide	-23%	-44%	-30%	-24%	-27%	-55%	-29%	-47%	-11%	-29%
	DITHANE	Fungicide	-6%	-9%	-8%	-7%	-7%	-20%	-27%	-24%	-3%	-11%
	PERMIT	Herbicide	+29%	-5%	+3%	-16%	-4%	+69%	-83%	-46%	+82%	+2%
	LEIMAY	Fungicide	+81%	-3%	+39%	+4%	+14%	+121%	+129%	+125%	-6%	+32%
Animal Health	Fluralaner	Animal Health products	+11%	0%	+6%	+4%	+5%	+11%	+30%	+20%	+2%	+12%
Total Segment ²		-	+6%	+3%	+4%	+3%	+3%	+8%	+14%	+11%	+1%	+5%

GRACIA Sales

Expected achievements in FY2024

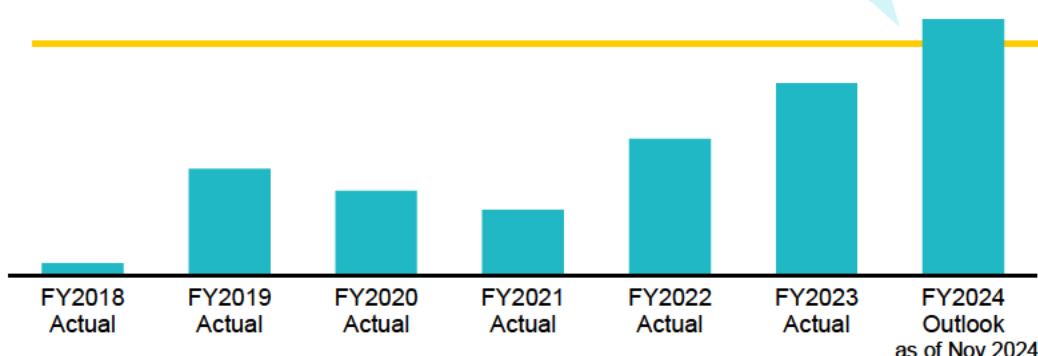
Sales target at launch
(¥10.0 billion)

Reference

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

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

1. ROUNDUP AL for general household account for 32% of total ROUNDUP sales (1H FY2024 Actual)
2. Total segment sales YOY include discount



(¥billion)

	FY2023 Actual			FY2024 Outlook as of Nov 2024			YOY Change		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	35.3	46.8	82.1	39.2	47.1	86.3	+3.9	+0.3	+4.2
OP	11.6	11.8	23.4	14.2	11.5	25.7	+2.6	-0.3	+2.3

Fixed cost & others 【1H】 down ¥0.2 billion (including a temporary factor (decrease in amortization expense of ¥1.1 billion) 【2H】 up ¥1.6 billion
 【Total】 up ¥1.4 billion (including the same factor as in 1H)

【1H】 Sales & OP up

ROUNDUP	Sales down (ML: volume down due to distribution inventory adjustment)
ALTAIR	Sales up (domestic: sales expansion)
GRACIA	Sales up (domestic: sales expansion, export: sales expansion in Asia)
TARGA	Sales down (export: shipment shifted to FY2023, sales down in Europe due to distribution inventory adjustment)

DITHANE	Sales down (export: shipment shifted to 2H FY2024)
PERMIT	Sales down (export: shipment shifted to 2H FY2024)
LEIMAY	Sales up (export: sales up due to increased demand in Europe)
Fluralaner	Sales up (API: sales up due to shipment shifted from 2H FY2024, royalties: sales up, partly affected by JPY depreciation)

【2H】 Sales up, OP down

ROUNDUP	Sales down (ML: volume down due to distribution inventory adjustment)
ALTAIR	Sales down (export: sales down in Asia due to distribution inventory adjustment)

GRACIA	Sales up (export: sales expansion in Asia)
PERMIT	Sales up (export: shipment shifted from 1H FY2024)
Fluralaner	Sales up (API: sales up, royalties: sales up)

【Total】 Sales & OP up

ROUNDUP	Sales down (ML: volume down due to distribution inventory adjustment)
GRACIA	Sales up (domestic: sales expansion, export: sales expansion in Asia)
TARGA	Sales down (export: shipment shifted to FY2023, sales down in Europe due to distribution inventory adjustment)

DITHANE	Sales down (export: shipment shifted to FY2025)
LEIMAY	Sales up (export: sales up due to increased demand in Europe)
Fluralaner	Sales up (API: sales up, royalties: sales up, partly affected by JPY depreciation)

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	36.8	48.1	84.9	39.2	47.1	86.3	+2.4	-1.0	+1.4
OP	12.4	11.7	24.1	14.2	11.5	25.7	+1.8	-0.2	+1.6

Fixed cost & others 【1H】 less than outlook ¥1.0 billion (including a temporary factor (decrease in amortization expense of ¥1.1 billion))
 【2H】 less than outlook ¥0.2 billion 【Total】 less than outlook ¥1.2 billion (including the same factor as in 1H)

【1H】 Sales & OP above target

ROUNDUP	Sales below target (AL: volume down due to unfavorable weather)
GRACIA	Sales above target (export: some shipments were postponed)
TARGA	Sales below target (export: shipment shifted to FY2023, sales down in Europe due to distribution inventory adjustment)

DITHANE	Sales below target (export: shipment shifted to 2H FY2024)
PERMIT	Sales below target (export: shipment shifted to 2H FY2024)
LEIMAY	Sales above target (export: sales up due to increased demand in Europe)
Fluralaner	Sales above target (API: sales up due to shipment shifted from 2H FY2024, royalties: sales up, partly affected by JPY depreciation)

【Total】 Sales & OP above target

ROUNDUP	Sales below target (ML: volume down due to distribution inventory adjustment)
GRACIA	Sales above target (export: sales expansion in Asia)
ALTAIR	Sales below target (domestic: volume down, export: sales down in Asia due to distribution inventory adjustment)

PERMIT	Sales above target (export: sales expansion in Asia)
LEIMAY	Sales above target (export: sales up due to increased demand in Europe)
Fluralaner	Sales above target (API: sales up, royalties: sales up, partly affected by JPY depreciation)

	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 ¹ as the API of BRAVECTO®
	2014	BRAVECTO® ²	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®: the product name developed by MSD, containing the active substance Fluralaner

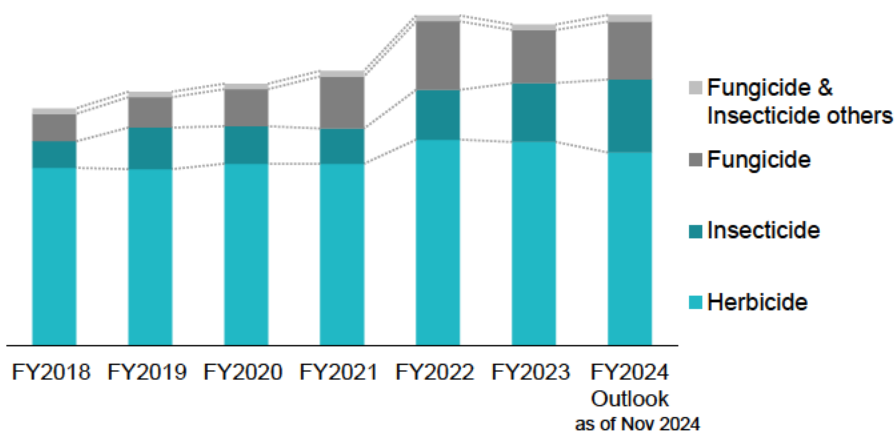
No.1 in the domestic agrochemicals sales ranking (Oct 2021- Sep 2022)
In our Agrochemical sales, domestic sales are larger than overseas sales

Export ratio of agrochemicals business (FY2023 Actual)^{1,2}

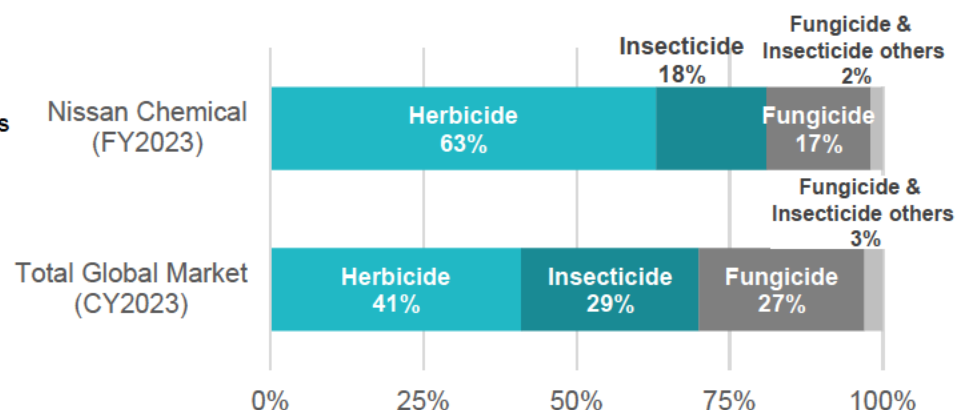


Expand product portfolio through sales expansion of existing products, launching in-house developed products, acquisition and introduction of pesticides

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 (competing 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 MSD¹ as the active pharmaceutical ingredient of BRAVECTO® and EXZOLT®
- Currently, BRAVECTO® series and EXZOLT® are available in more than 100 countries
- Compound patent
 - Fluralaner's compound patent expires in March 2025, but many countries have 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 weeks² of continuous protection for dogs and cats against fleas and ticks with immediate effect, nearly 3 times longer than any monthly products in the market.
- Chewable tablet for dogs 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 months³ 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

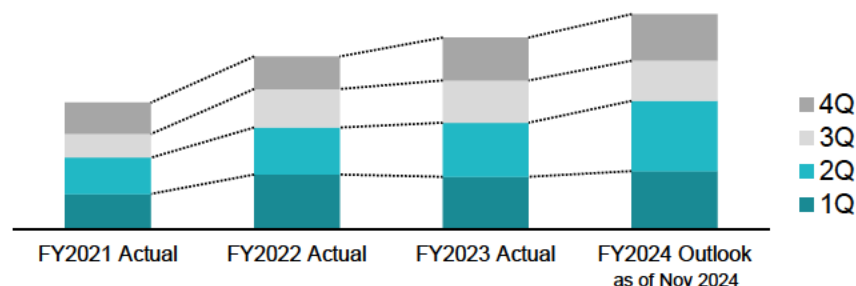
1. MSD: MSD Animal Health, the global animal health business unit of Merck

2. 8 weeks for *Rhipicephalus sanguineus* ticks3. 11 months for *Rhipicephalus sanguineus* ticks

Nissan Chemical's Revenues are Consisted from Following Two Factors

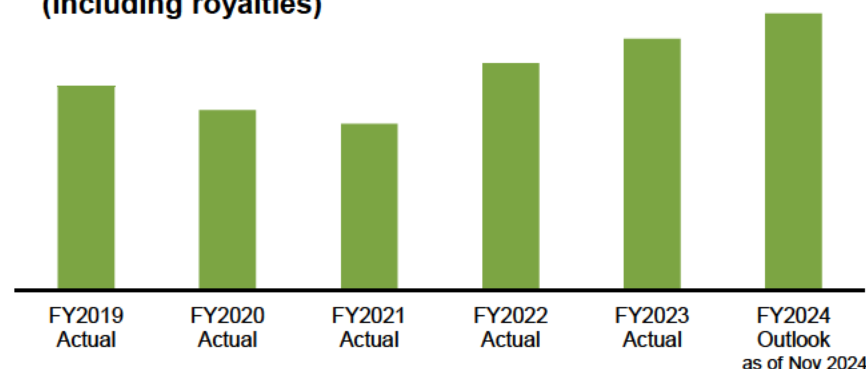
- Sales of Fluralaner to MSD as API¹ of BRAVECTO[®] and EXZOLT[®] products
 - Running royalties received from MSD
1. API: Active Pharmaceutical Ingredient

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 p64).

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 2H FY2024 is ¥145/\$.

BRAVECTO[®] 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 has been profitable on non-consolidated basis since FY2023

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

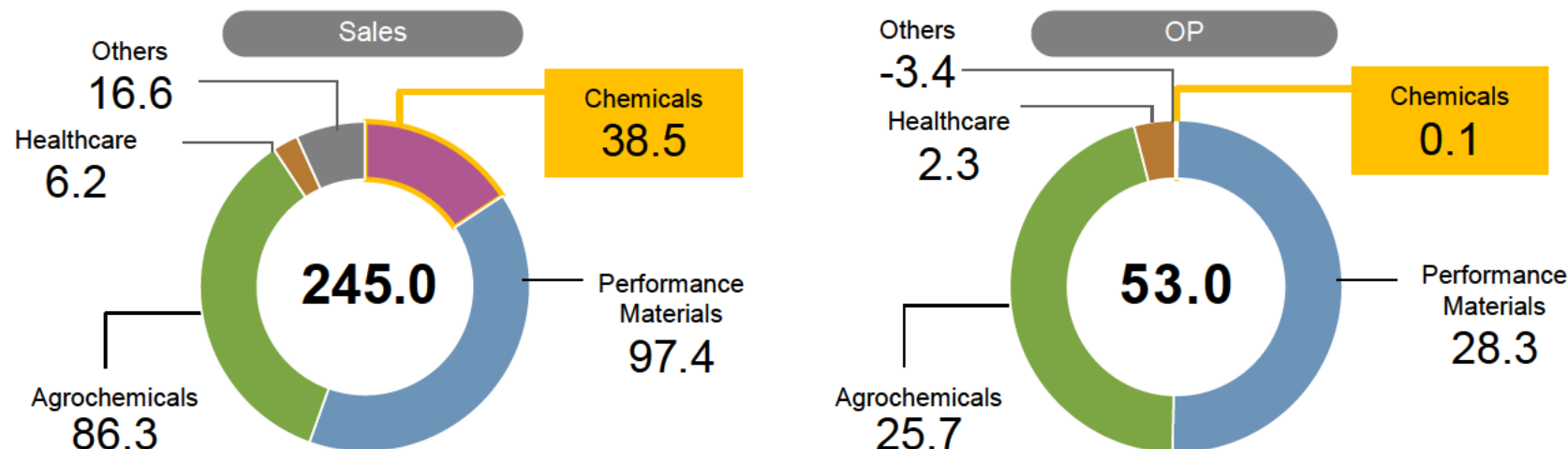
Funding Plan (as of May 2022)

(¥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

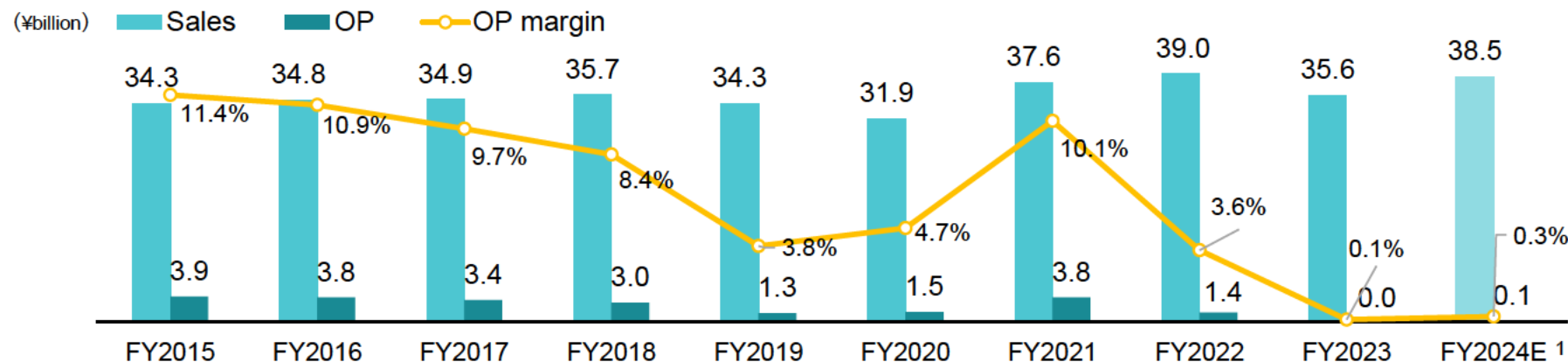
Advantages to Nissan Chemical

- 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

FY2024 Outlook by Segment (¥billion)¹



Chemicals – Recent Financial Performance²



1. Outlook as of Nov 2024

2. 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 p65)

(¥billion)

	FY2023 Actual			FY2024 Outlook as of Nov 2024			YOY Change		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	17.9	17.7	35.6	17.9	20.6	38.5	0.0	+2.9	+2.9
Fine Chemicals	6.0	5.6	11.6	6.3	6.7	13.0	+0.3	+1.1	+1.4
Basic Chemicals	11.9	12.1	24.0	11.6	13.9	25.5	-0.3	+1.8	+1.5
OP	-0.1	0.1	0.0	-0.4	0.5	0.1	-0.3	+0.4	+0.1

Fixed cost & others [1H] up ¥0.5 billion [2H] up ¥0.8 billion [Total] up ¥1.3 billion

Fine Chemicals	[1H] Sales & OP up [2H] Sales up, OP down [Total] Sales up, OP down		Basic Chemicals	[1H] Sales & OP down [2H] Sales & OP up [Total] Sales & OP up	
	TEPIC for general applications	Demand partially recovering [1H] Sales up +35% [2H] Sales up +3% [Total] Sales up +18%		Urea/AdBlue®	[1H] Sales down -16% (volume down, inventory level down due to earthquake in FY2023) [2H] Sales up +17% (increase from earthquake in FY2023) [Total] Sales flat
	TEPIC for electronic materials	[1H] Sales up +7% [2H] Sales down -2% [Total] Sales up +2%		High purity sulfuric acid	Increase in demand for semiconductors [1H] Sales up +35% [2H] Sales up +19% [Total] Sales up +26%
	Environmental related products	[1H] Sales down -3% [2H] Sales up +43% (increase from earthquake in FY2023) [Total] Sales up +16% (increase from earthquake in FY2023)		Nitric acid products	[1H] Sales down -6% [2H] Sales up +10% (increase from earthquake in FY2023) [Total] Sales up +2%
	FINEOXOCOL	Demand recovery for cosmetics [1H] Sales up +12% [2H] Sales up +20% [Total] Sales up +17%			

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	18.1	19.6	37.7	17.9	20.6	38.5	-0.2	+1.0	+0.8
Fine Chemicals	6.1	6.1	12.2	6.3	6.7	13.0	+0.2	+0.6	+0.8
Basic Chemicals	12.0	13.5	25.5	11.6	13.9	25.5	-0.4	+0.4	0.0
OP	-0.2	0.8	0.6	-0.4	0.5	0.1	-0.2	-0.3	-0.5

Fixed cost & others 【1H】 less than outlook ¥0.2 billion 【2H】 more than outlook ¥0.6 billion 【Total】 more than outlook ¥0.4 billion

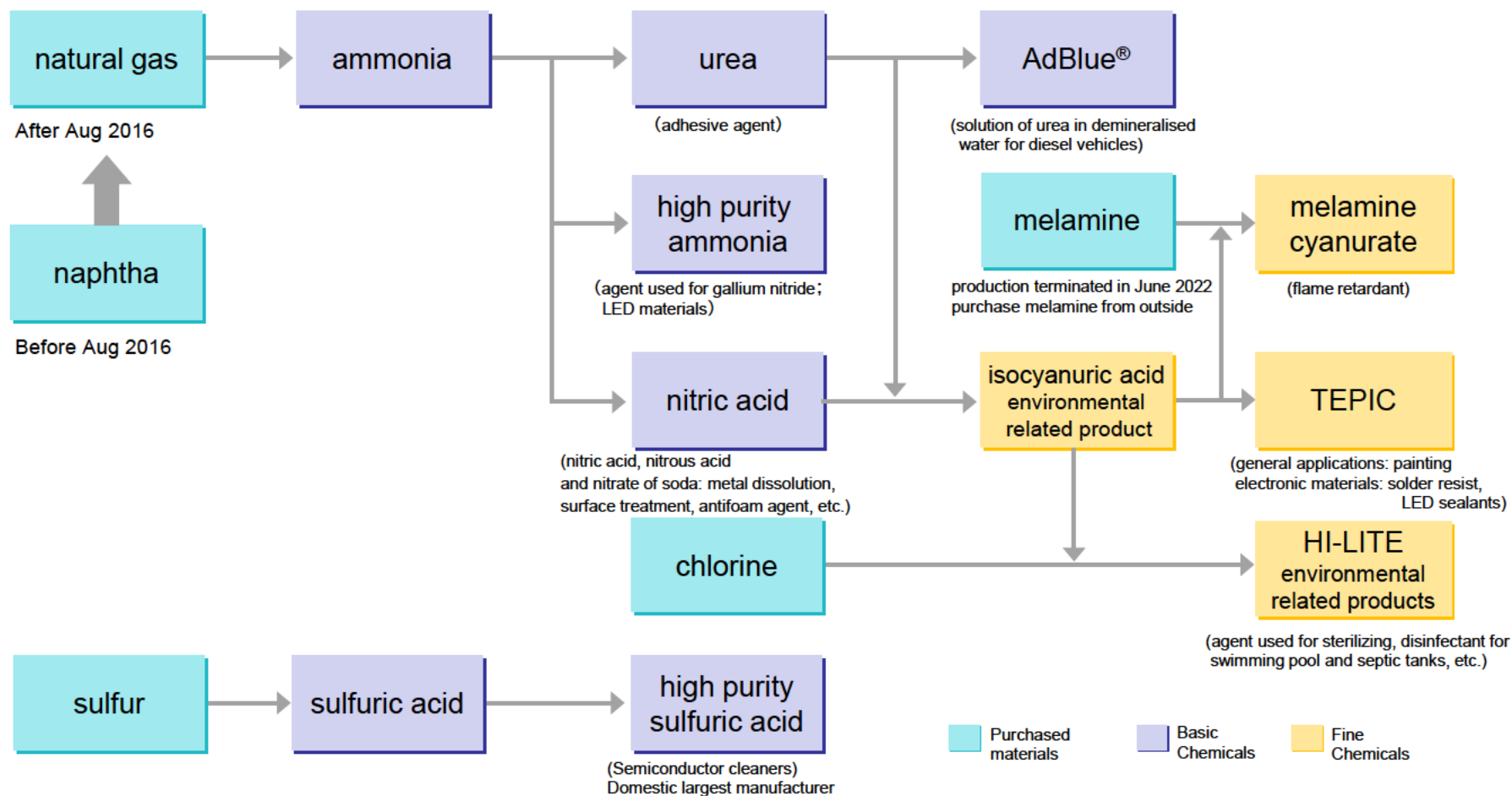
【1H】 Sales & OP above target
【Total】 Sales & OP above target
Fine Chemicals

TEPIC for general applications	【1H】【Total】 Sales above target
TEPIC for electronic materials	【1H】【Total】 Sales below target
Environmental related products	【1H】 Sales below target 【Total】 Sales above target
FINEOXOCOL	【1H】【Total】 Sales above target

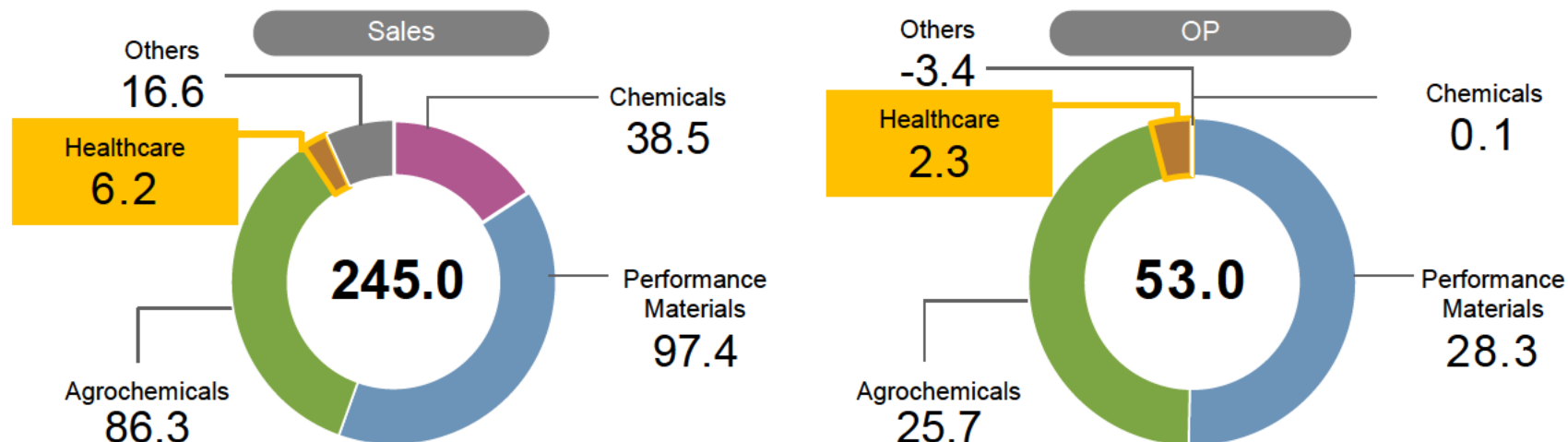
【1H】 Sales & OP below target
【Total】 Sales in line with target, OP below target
Basic Chemicals

Urea/AdBlue®	【1H】 Sales below target 【Total】 Sales in line with target
High purity sulfuric acid	【1H】【Total】 Sales above target
Nitric acid products	【1H】【Total】 Sales below target

- 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

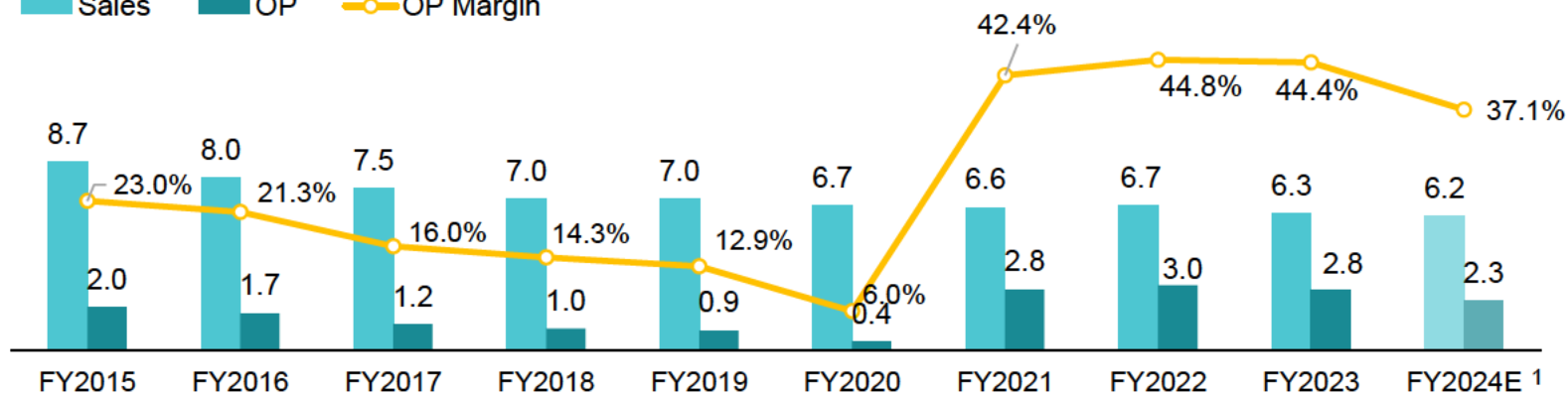


FY2024 Outlook by Segment (¥billion)¹



Healthcare – Recent Financial Performance²

(¥billion) Sales OP OP Margin



1. Outlook as of Nov 2024

2. 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 p65)

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 ²	FY2021 Actual	FY2022 Actual	F2023 Actual ³	FY2024 Outlook as of May 2024	FY2024 Outlook as of Nov 2024
API Sales YoY Change	-30%	-17%	0%	-5%	-23%	-30%
Domestic YoY Change	+6%	+30%	-17%	-3%	-38%	-66%
Export YoY Change	-35%	-28%	+7%	-6%	-18%	-19%
Change from FY2012 ¹	-73%	-78%	-78%	-79%	-84%	-85%

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	Eldecacitol	Osteoporosis

Custom Chemicals Sales Trend (FY2014-FY2024)

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Outlook as of May 2024	FY2024 Outlook as of Nov 2024
1.8	2.3	2.4	2.5	2.6	2.9	3.8	4.2	4.3	4.0	4.5	4.6

(¥billion)

(¥billion)

	FY2023 Actual			FY2024 Outlook as of Nov 2024			YOY Change		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	3.5	2.8	6.3	3.3	2.9	6.2	-0.2	+0.1	-0.1
Healthcare	1.3	1.0	2.3	0.8	0.8	1.6	-0.5	-0.2	-0.7
Custom Chemicals	2.3	1.7	4.0	2.5	2.1	4.6	+0.2	+0.4	+0.6
OP	1.8	1.0	2.8	1.3	1.0	2.3	-0.5	0.0	-0.5
Healthcare	0.6	0.3	0.9	0.1	0.2	0.3	-0.5	-0.1	-0.6
Custom Chemicals	1.2	0.7	1.9	1.1	0.9	2.0	-0.1	+0.2	+0.1

1. Figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.

[1H] Sales & OP down

Healthcare sales down (LIVALO domestic and export down),

Custom Chemicals sales up (shipment increase due to buildup of customer inventory and shipment shifted from FY2023 to FY2024 despite some shipment shifted to 2H FY2024)

[2H] Sales up, OP flat

Healthcare sales down (LIVALO domestic and export down),

Custom Chemicals sales up (shipment increase due to buildup of customer inventory and some shipment shifted from 1H FY2024)

[Total] Sales & OP down

Healthcare sales down (LIVALO domestic and export down),

Custom Chemicals sales up (shipment increase due to buildup of customer inventory and shipment shifted from FY2023 to FY2024)

(¥billion)

	FY2024 Outlook as of May 2024			FY2024 Outlook as of Nov 2024			vs. Outlook as of May 2024		
	1H	2H	Total	1H Actual	2H	Total	1H	2H	Total
Sales	3.0	3.4	6.4	3.3	2.9	6.2	+0.3	-0.5	-0.2
Healthcare	0.8	1.1	1.9	0.8	0.8	1.6	0.0	-0.3	-0.3
Custom Chemicals	2.2	2.3	4.5	2.5	2.1	4.6	+0.3	-0.2	+0.1
OP	0.9	1.4	2.3	1.3	1.0	2.3	+0.4	-0.4	0.0
Healthcare	0.2	0.3	0.5	0.1	0.2	0.3	-0.1	-0.1	-0.2
Custom Chemicals	0.7	1.1	1.8	1.1	0.9	2.0	+0.4	-0.2	+0.2

1. Figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.

[1H] Sales & OP above target

Custom Chemicals sales above target (shipment increase due to buildup of customer inventory)

[Total] Sales below target, OP in line

Healthcare sales below target (LIVALO domestic below target),

Custom Chemicals sales above target (shipment increase due to buildup of customer inventory)

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Appendix

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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 p50)
- 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 2024 Published [“Integrated Report 2024”](#) ✓

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.



FTSE Blossom
Japan Sector
Relative Index

FTSE Blossom
Japan

FTSE4Good

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

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

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 Agenda¹

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

Maintain at least 55%

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

▶▶▶2

Strengthening of Nissan Chemical's Business Base

▶ Personnel retention and trainings

Positive response rate in
survey of employee attitude

At least 65%

▶ Promote Diversity

Proportion of female researchers

At least 18%

▶▶▶3

Continuous Improvement of Responsible Care Activities

▶ GHG Emission Target

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

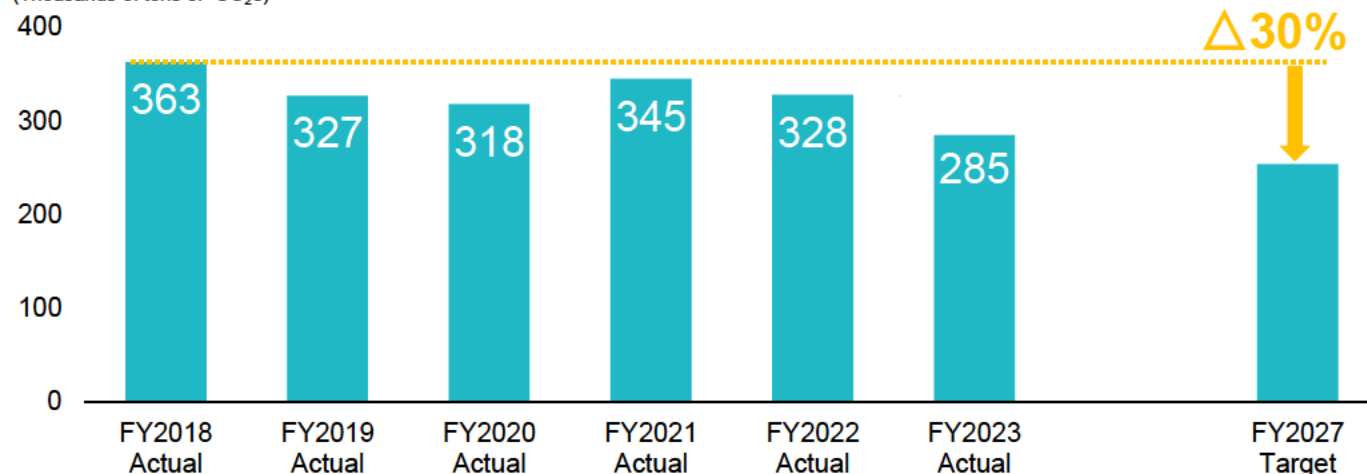
Our Materiality

Strengthening of Corporate Governance, Risk Management and Compliance

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 -CO₂e)



Comparison of GHG emissions with general chemical manufacturers

(Thousands of tons -CO₂e)

FY	2011	2018	2019	2020	2021	2022	2023
Nissan Chemical (non-consolidated basis)	448	363	327	318	345	328	285
Average of 4 major general chemical manufacturers (consolidated basis)	-	-	9,275	8,928	9,226	8,390	7,863

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

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

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

Sales and Income Targets by Segment

(¥billion)

		FY2021 Actual ¹	FY2022 Actual	FY2023 Actual	FY2024 Outlook ²	FY2024 Mid-Term Plan	FY2027 Mid-Term Plan
Chemicals	Sales	37.6	39.0	35.6	38.5	37.6	40.1
	OP	3.8	1.4	0.0	0.1	3.5	3.9
Performance Materials	Sales	81.7	82.6	84.6	97.4	102.9	117.2
	OP	27.6	25.4	22.5	28.3	32.1	38.0
Agrochemicals	Sales	65.8	81.6	82.1	86.3	77.8	82.3
	OP	18.1	23.1	23.4	25.7	21.7	21.0
Healthcare	Sales	6.6	6.7	6.3	6.2	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	16.6	29.5	33.9
	OP	-1.3	-0.6	-0.5	-3.4	-0.9	-0.2
Planning and Development ³	Sales	0.0	0.0	0.0	0.2	1.3	4.4
	OP	-4.9	-5.5	-5.3	-5.3	-4.7	-4.7
Total	Sales	208.0	228.1	226.7	245.0	255.0	285.0
	OP	51.0	52.3	48.2	53.0	58.5	67.0
FX Rate (¥/\$)		112	136	145	149	110	

(Financial Target)

OP Margin	24.5%	22.9%	21.3%	21.6%	Above 20%
ROE	19.2%	19.4%	17.1%	17.1%	Above 18%
Dividend Payout Ratio	44.9%	56.3%	60.1%	57.4%	55%
Total Payout Ratio	75.6%	78.0%	86.2%	82.4%	75%

1. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p65)

2. Outlook as of Nov 2024

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

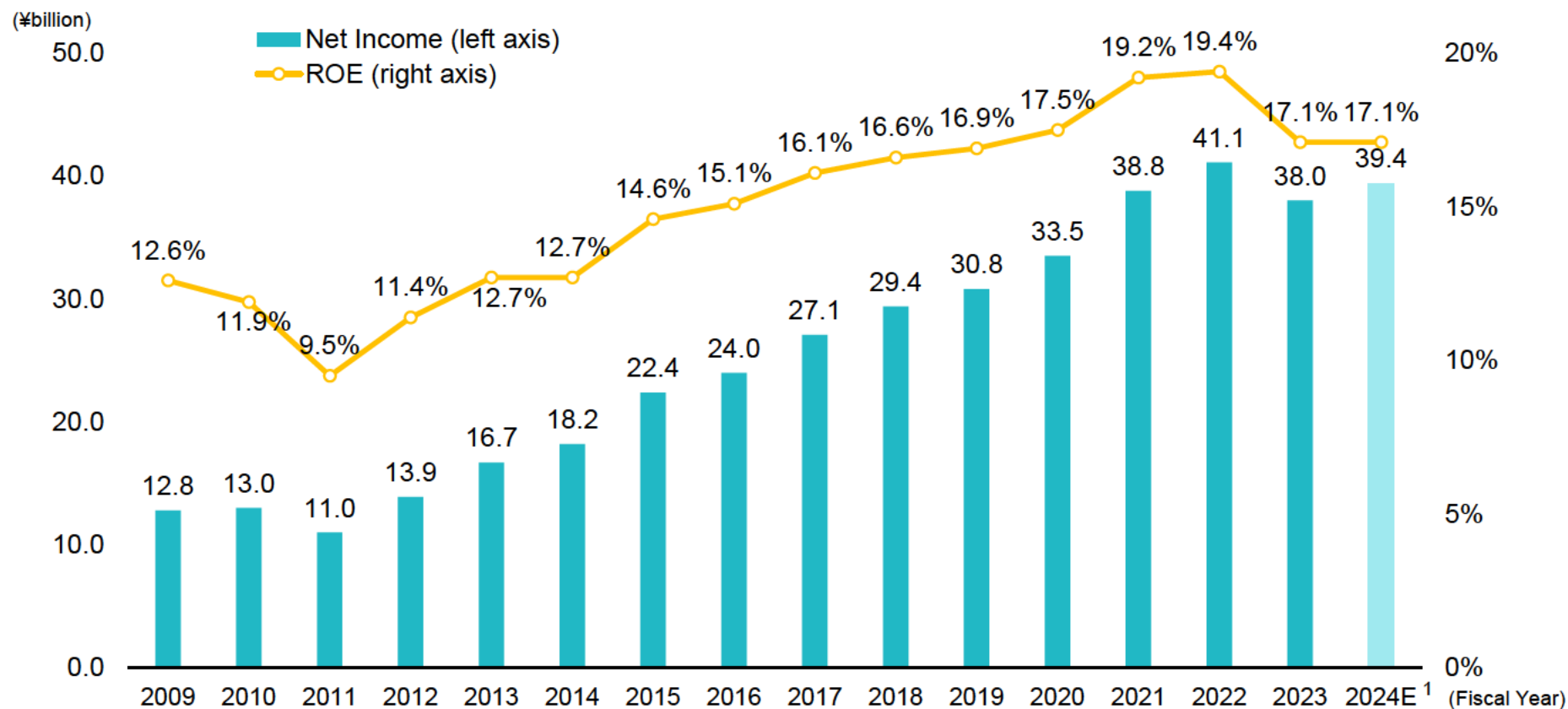
FY2024 Outlook vs. FY2024 Mid-Term Plan (announced in May 2022)

(¥billion)

		FY2024 Mid-Term Plan (A)	FY2024 Outlook ¹ (B)	(B) – (A)	Difference factors		
Chemicals	Sales	37.6	38.5	+0.9	Fine Chemicals	below target(-9%)	TEPIC (general applications & electronic materials)
					Basic Chemicals	above target(+9%)	Urea/AdBlue®, High purity sulfuric acid, Nitric acid products
	OP	3.5	0.1	-3.4	Fine Chemicals & Basic Chemicals OP below target Fixed cost & others more than target, feedstock and raw materials cost up		
Performance Materials	Sales	102.9	97.4	-5.5	DP	below target(-12%)	Photo IPS, rubbing IPS, VA, other display materials
					Semis	below target(-4%)	ARC®, multi layer process materials
					Inorganic	above target(+11%)	SNOWTEX, Organo/Monomer sol
	OP	32.1	28.3	-3.8	DP & Semis OP below target sales below due to market adjustment(DP, Semis)		
Agrochemicals	Sales	77.8	86.3	+8.5	Agro	above target(+8%)	GRACIA, PERMIT
					Animal Health	above target(+21%)	
	OP	21.7	25.7	+4.0	Sales above target		
Healthcare	Sales	7.2	6.2	-1.0	Healthcare	in line with target	
					Custom Chemicals	below target(-19%)	GE API products, new products
	OP	2.1	2.3	+0.2			
Trading, Others, Adjustment	Sales	29.5	16.6	-12.9	Adjustment etc.	below target	
	OP	-0.9	-3.4	-2.5	Trading above target +1.1, Adjustment below target -3.5(-0.6 in Planning and Development Division), Other domestic subsidiaries below target -0.1		
Total	Sales	255.0	245.0	-10.0			
	OP	58.5	53.0	-5.5			

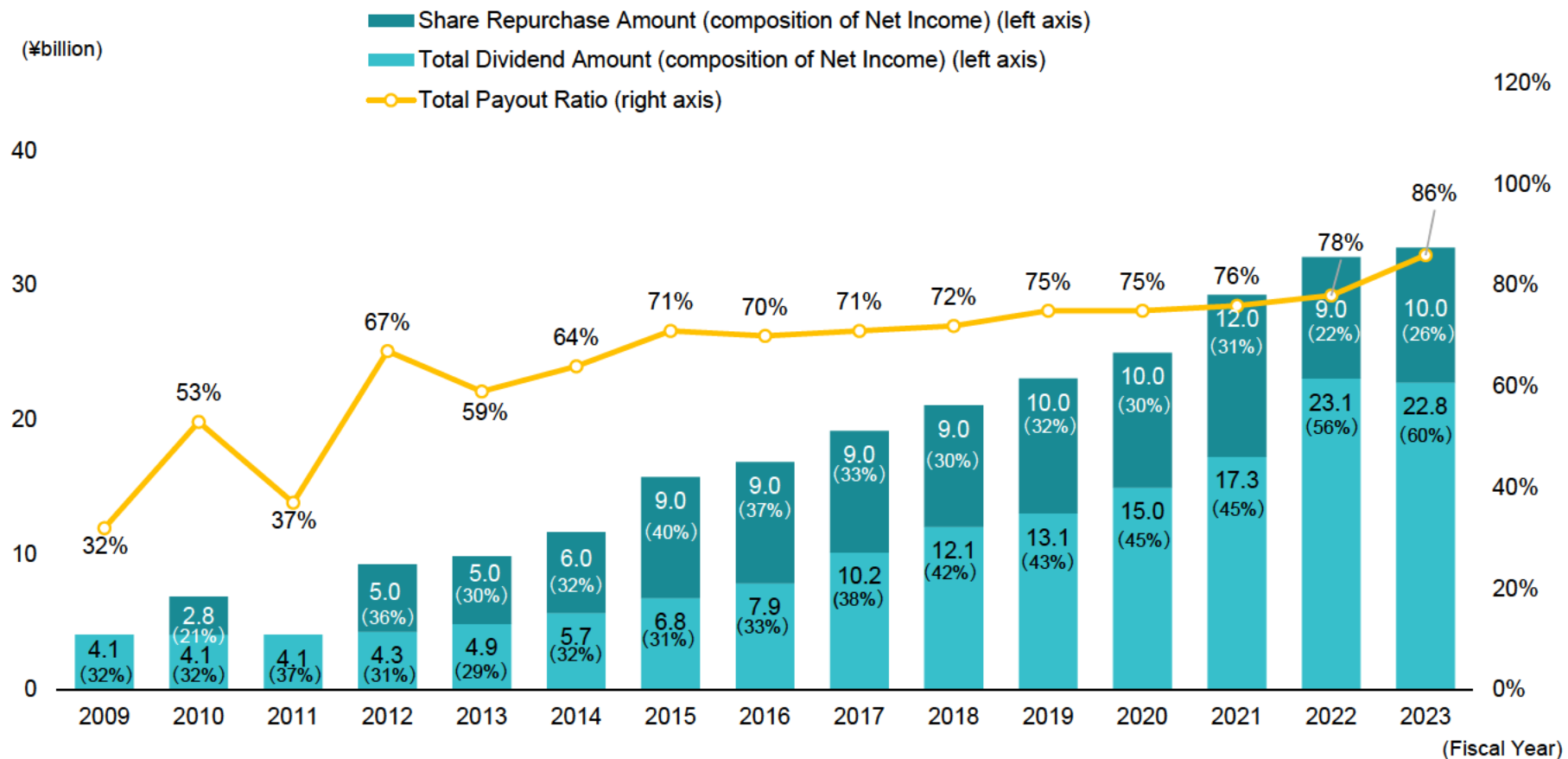
1. Outlook as of Nov 2024

- 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%



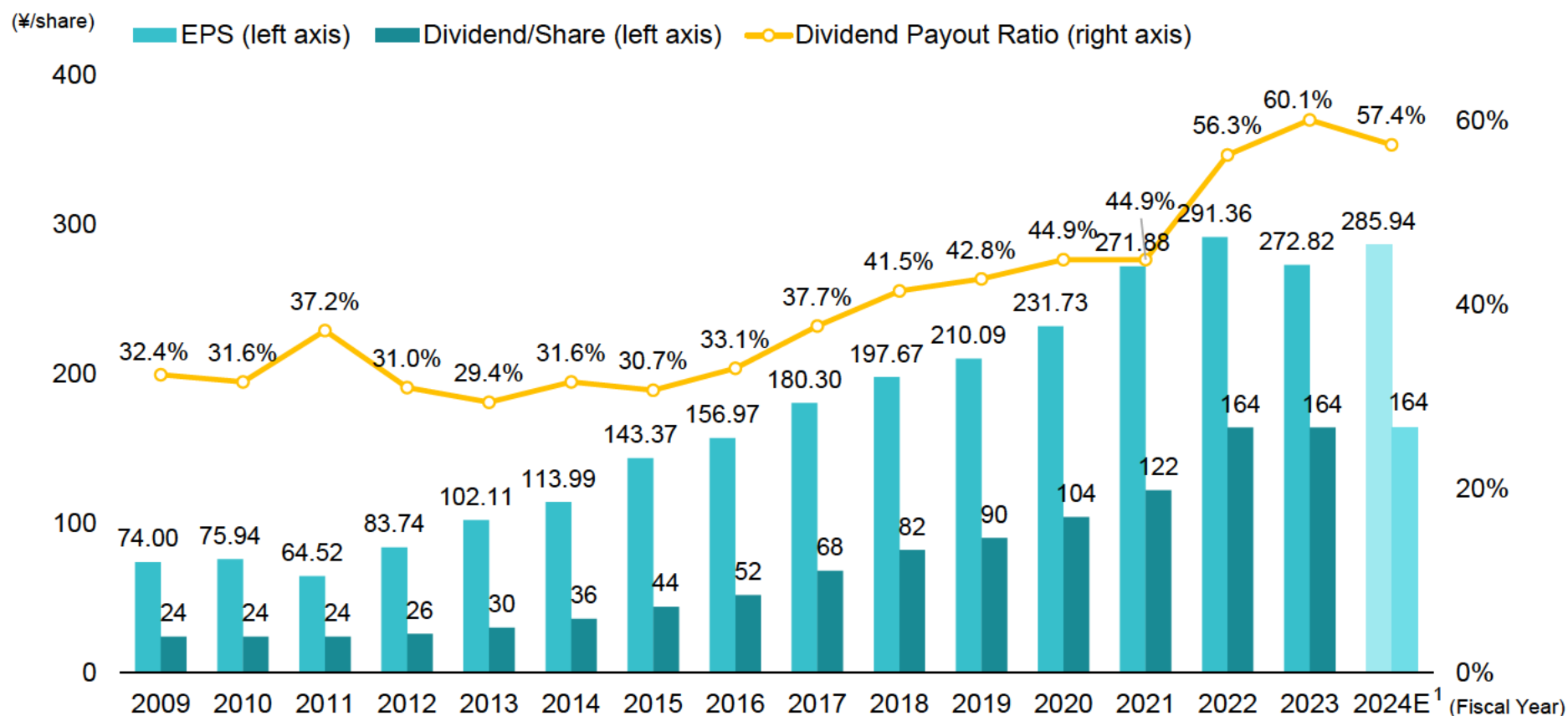
Shareholders Return Policy - Total Payout Ratio

- 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 – Dividend Payout Ratio

- Gradually increased from 30.7% in FY2015 to 44.9% in FY2021
- Increase Dividend Payout Ratio Target to 55% from 45% in New Mid-Term Plan FY2022-2027
- Emphasis on direct shareholder returns
- Increased dividend/share for 11 consecutive years until FY2022
- Maintained Dividend at the same amount (¥164/share) despite FY2023 Profit down from FY2022



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 ¥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) ¹	3,500	3,399	7,355	2,167	6,372	3,263	2,764	3,333	2,621	2,292	1,682	2,138	1,829	2,033	1,356	1,665	47,769
Purchase costs (¥billion) ¹	4.7	5.0	8.0	2.8	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	12.0	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) ²	1,367	1,233	1,660	885	1,258	522	287	1,621	2,242	1,535	1,218	523	1,352	1,384	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			2024E ³
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H	Total	Total
Shares purchased (thousand shares) ¹	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) ¹	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	10.0
Shares cancelled (thousand shares) ³	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	1,000

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

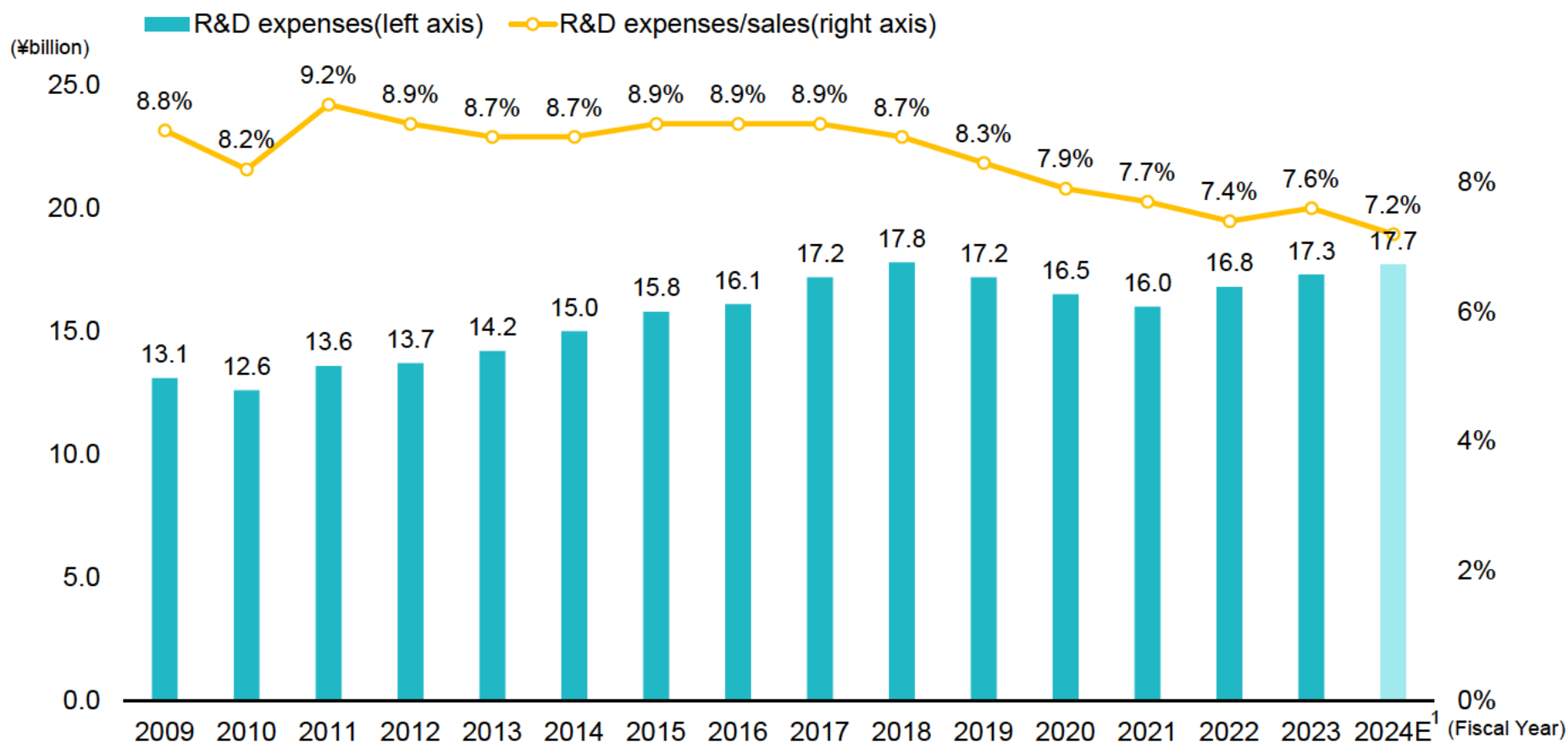
3. Dates of Cancellation in FY2024 was Sept. 9, 2024

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



1. Outlook as of Nov 2024

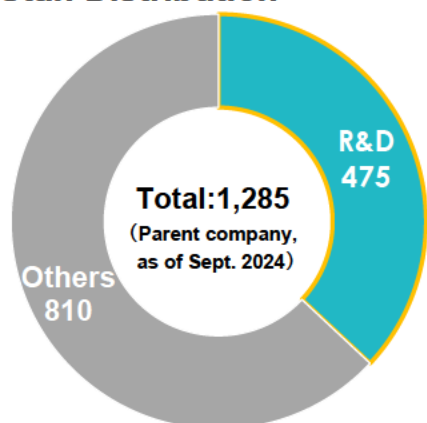
- Achieve high OP margin despite aggressive investment in R&D
- About 40% of professional staff engaged in R&D

R&D Expenses by Segment

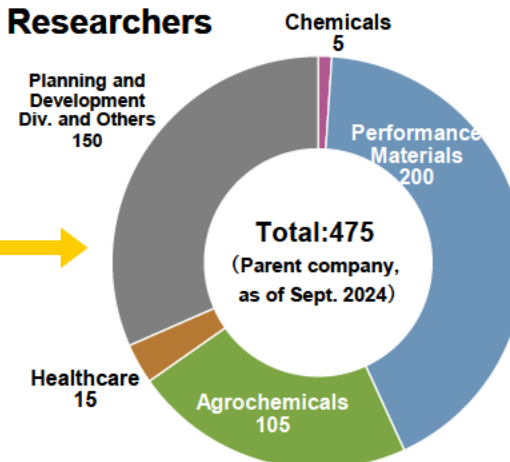
Segments	FY2023 Actual				
	Sales (¥billion)	OP (¥billion)	OP Margin	R&D expenses (¥billion)	R&D Expenses/Sales
Chemicals	35.6	0.0	0.1%	0.3	0.8%
Performance Materials	84.6	22.5	26.6%	8.2	9.7%
Agrochemicals	82.1	23.4	28.5%	4.3	5.2%
Healthcare	6.3	2.8	44.4%	0.4	6.3%
Others ¹	-	-	-	4.1	-
Total (including Others¹)	226.7	48.2	21.3%	17.3	7.6%

1. Including Planning and Development Div.

Professional Staff Distribution



Researchers



2. The staff 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	245.0
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	53.0
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	53.2
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	39.4
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	67.4
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%	21.6%
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%	17.1%
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	285.94
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%	57.4%
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	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	19.1
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	14.4
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	17.7
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%	7.2%

1. FY2021- : Including effects of changes in accounting policies (see p64)

2. Capex: Cash flows basis

3. FY2024E: Outlook as of Nov 2024

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	38.5
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	97.4
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	86.3
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	6.2
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	112.4
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	29.1
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	-124.9
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	245.0

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	0.1
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	28.3
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	25.7
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	3.7
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	0.8
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	-7.9
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	53.0

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%	0.3%
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%	29.1%
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%	29.8%
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%	37.1%
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%	3.3%
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%	2.7%
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%	21.6%

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%

- Including inter-segment sales/transfers
- FY2021: Including Sales decrease due to changes in accounting policies (see p64)
- Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, NC Agro Hakodate, Nihon Hiryo, and others
Adjustment: Planning & Development Division and others
- Sales and OP for Planning & Development Division in FY2021 - FY2023 Actual and FY2024 Outlook are disclosed on p52
- 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 p65).
- FY2024E: Outlook as of Nov 2024

- FY2019 - : New OP method
 - Applied from FY2020 (no change for sales segmentation)
 - FY2019 restated based on new methods
 - 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 - FY2024 Outlook)

(¥billion)

	FY2021 Actual					FY2022 Actual					FY2023 Actual					FY2024 Outlook as of Nov 2024					FY2024 Outlook as of May 2024			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q Actual	2Q Actual	3Q	4Q	Total	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	9.0	10.3	10.3	38.5	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	3.2	3.4	3.3	13.0	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	5.8	6.9	7.0	25.5	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	25.1	24.5	24.3	97.4	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	18.8	12.5	34.6	86.3	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	1.1	1.8	6.2	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	0.5	0.3	0.5	1.6	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	1.3	0.7	1.4	4.6	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	28.8	28.7	27.4	112.4	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	5.7	8.8	8.3	29.1	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	-29.7	-33.7	-32.1	-124.9	-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	59.5	52.2	74.6	245.0	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 p52

5. Organizational changes were implemented in April 2022. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p65)

Quarterly OP Trend by Segment (FY2021 - FY2024 Outlook)

(¥billion)

	FY2021 Actual					FY2022 Actual					FY2023 Actual					FY2024 Outlook as of Nov 2024					FY2024 Outlook as of May 2024			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q Actual	2Q Actual	3Q	4Q	Total	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	-1.1	0.2	0.3	0.1	-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	7.4	7.3	6.6	28.3	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	7.3	2.4	9.1	25.7	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	0.7	0.3	0.7	2.3	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	0.0	0.1	0.3	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	0.5	0.3	0.6	2.0	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	1.0	0.9	0.8	3.7	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	-0.1	0.1	0.7	0.8	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	-1.3	-1.8	-2.9	-7.9	-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	13.9	9.4	15.3	53.0	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 p52

4. Organizational changes were implemented in April 2022. FY2021 actual has been revised to reflect organizational changes in April 2022 (see p65)

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 ³ 's sales for Jan-June: recognized in Aug, July-Dec: recognized in Feb
After adoption (from FY2021)	Royalties revenue on MSD ³ 's sales for Jan-Mar: recognized in May, Apr-June: recognized in Aug, July-Sep: recognized in Nov, Oct-Dec: recognized in Feb

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 ¹	-3.5	-7.4	-10.9	-1.7	-10.3	-12.0	-22.9
OP Impact ²	+1.2	-2.1	-0.9	+4.0	-3.2	+0.8	-0.1

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

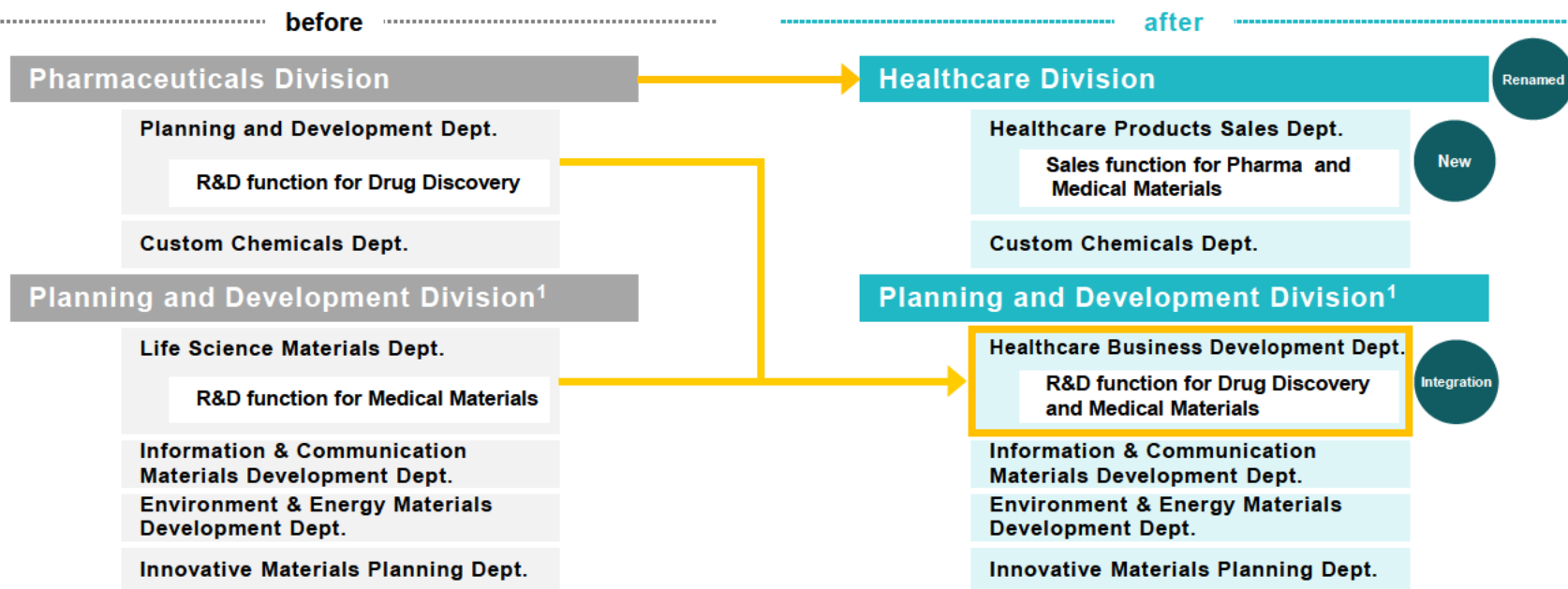
2. Total impact of Royalties based on sales amount and Sales discount subject to change at the selling timing

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 P52

Main Products by Segment

Segment	Products		Main Applications
Chemicals	Fine Chemicals	TEPIC	epoxy compound for LED sealants, solder resist, painting
		Melamine cyanurate	flame retardant
		Environmental 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	soybean, rapeseed, sugarbeet
		PERMIT	corn, sugarcane, rice
		ROUNDUP	non-selective herbicide for orchard, noncrop land
		ALTAIR	rice
	Insecticide	GRACIA	vegetables, tea
		Fungicide	LEIMAY
	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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