



**Nissan Chemical**  
CORPORATION

## **Nissan Chemical Corporation**

3Q FY2024 Financial Results Briefing

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## 3Q FY2024 Financial Summary



<b>3Q</b>	<b>vs. 3Q FY2023</b>	<ul style="list-style-type: none"><li>■ Sales up ¥7.0 billion (+14%)</li><li>■ OP up ¥3.5 billion (+36%)</li><li>■ Net Income up ¥4.7 billion (+73%)</li></ul>
<b>1-3Q Total<sup>1</sup></b>	<b>vs. 1-3Q FY2023</b>	<ul style="list-style-type: none"><li>■ Sales up ¥19.5 billion (+13%)</li><li>■ OP up ¥7.7 billion (+23%)</li><li>■ Net Income up ¥5.7 billion (+22%)</li></ul>
<small>1. Hereinafter referred to as 1-3Q</small>		
<b>3Q</b>	<b>vs. 3Q Outlook as of Nov 2024</b>	<ul style="list-style-type: none"><li>■ Sales above target ¥4.4 billion</li><li>■ OP above target ¥3.4 billion</li><li>■ Net Income above target ¥4.0 billion</li></ul>
<b>Revision of Outlook</b>		<ul style="list-style-type: none"><li>■ Revised upward FY2024 Outlook announced in November 2024 (see p37)</li></ul>
<b>Shareholder Returns</b>		<ul style="list-style-type: none"><li>■ Dividend ¥164/share (same as FY2023, unchanged from outlook as of Nov 2024)</li><li>■ Share Repurchase a ¥10.0 billion completed (period: May 2024 - December 2024)</li><li>■ Total Payout Ratio Outlook 79.4%</li></ul>

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**Daimon:** This is Daimon from Nissan Chemical. Thank you for taking the time to join us today. I will now begin my presentation.

Please refer to page four of the materials.

Starting with the 3Q financial summary, as shown in the top box, for this 3Q, revenue increased by JPY7.0 billion, or plus 14% YoY. Operating profit rose by JPY3.5 billion, or plus 36%, while net income increased by JPY4.7 billion, or plus 73% YoY.

For the cumulative nine-month period from 1Q to 3Q, as stated in the materials, operating profit saw an increase of JPY7.7 billion, or plus 23% compared to the previous year.

Additionally, when compared to the earnings forecast announced in November, operating profit for 3Q came in JPY3.4 billion higher than projected.

Now, regarding the revision of our earnings forecast, this has already been announced, but as I will explain later, we have made an upward revision to our full-year earnings outlook.

Finally, on shareholder returns, the dividend remains unchanged at JPY164 per share, consistent with the announcement in November.

As for share repurchase, we completed the acquisition of JPY10.0 billion worth of shares in December. As a result, the projected total payout ratio stands at 79.4%.

## 3Q FY2024 Financial Summary YOY Change

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
<b>Sales</b>	105.7	49.6	155.3	118.2	56.6	174.8	+12.5 (+12%)	+7.0 (+14%)	+19.5 (+13%)
<b>Operating Profit</b>	24.1	9.3	33.4	28.3	12.8	41.1	+4.2 (+18%)	+3.5 (+36%)	+7.7 (+23%)
<b>Non-Operating Income/Expenses</b>	2.1	-0.5	1.6	-0.4	2.6	2.2	-2.5	+3.1	+0.6
Foreign exchange Gains/Losses	1.9	-0.8	1.1	-0.8	1.8	1.0	-2.7	+2.6	-0.1
<b>Ordinary Income</b>	26.2	8.8	35.0	27.9	15.4	43.3	+1.7 (+7%)	+6.6 (+74%)	+8.3 (+24%)
<b>Extraordinary Income/Losses</b>	0.6	0.0	0.6	0.8	0.0	0.8	+0.2	0.0	+0.2
<b>Net Income<sup>1</sup></b>	19.5	6.5	26.0	20.5	11.2	31.7	+1.0 (+5%)	+4.7 (+73%)	+5.7 (+22%)
<b>EBITDA<sup>2</sup></b>	30.0	12.9	42.9	34.5	16.7	51.2	+4.5	+3.8	+8.3
<b>EPS (¥/share)</b>	139.55	46.47	186.02	148.78	81.49	230.27	+9.23	+35.02	+44.25
<b>Dividend (¥/share)</b>	70	-	70	70	-	70	0	-	0
<b>Total amount of Dividend</b>	9.8	-	9.8	9.6	-	9.6	-0.2	-	-0.2
<b>OP Margin</b>	22.8%	18.8%	21.5%	24.0%	22.5%	23.5%	+1.2pt	+3.7pt	+2.0pt
<b>FX Rate (¥/\$)</b>	141	148	143	153	152	153	-	-	-
<b>Crude Oil (JCC) (\$/bbl)<sup>3</sup></b>	83	91	86	87	78	84	-	-	-

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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Next, please refer to page five for the specific figures.

In the middle of the page, you will find the figures for both 3Q and the cumulative 1Q through 3Q period. To give you the exact numbers, for this 3Q, revenue stood at JPY56.6 billion, operating profit was JPY12.8 billion, ordinary income was JPY15.4 billion, and net income came in at JPY11.2 billion.

Regarding the FX rate, the average rate for 3Q was JPY152 per USD, but as of the end of December, it had moved significantly toward a stronger dollar, reaching JPY158 per USD.

## 3Q FY2024 Financial Summary Compared to Outlook

(¥billion)

	FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	52.2	170.4	56.6	174.8	+4.4
Operating Profit	9.4	37.7	12.8	41.1	+3.4
Non-Operating Income/Expenses	0.3	-0.1	2.6	2.2	+2.3
Foreign exchange Gains/Losses	0.0	-0.8	1.8	1.0	+1.8
Ordinary Income	9.7	37.6	15.4	43.3	+5.7
Extraordinary Income/Losses	0.0	0.8	0.0	0.8	0.0
Net Income <sup>1</sup>	7.2	27.7	11.2	31.7	+4.0
EBITDA <sup>2</sup>	-	-	16.7	51.2	-
EPS (¥/share)	-	-	81.49	230.27	-
Dividend (¥/share)	-	70	-	70	-
Total amount of Dividend	-	9.6	-	9.6	-
OP Margin	18.0%	22.2%	22.5%	23.5%	-
FX Rate (¥/\$)	145	150	152	153	-
Crude Oil (JCC) (\$/bbl) <sup>3</sup>	87	87	78	84	-

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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Turning to page six, this section presents a comparison with our earnings forecast.

The figures in the rightmost column are as I mentioned at the beginning, so please review them later at your convenience.

## Analysis of Changes in OP

		FY2024 Actual	FY2023 Actual	YOY Change	Outlook as of Nov 2024	vs. Outlook
		<b>12.8billion</b>	<b>9.3billion</b>	<b>+3.5billion(+36%)</b>	<b>9.4 billion</b>	<b>+3.4billion</b>
3Q	Chemicals	YOY Change	+0.1 billion	OP increase due to sales increase in environmental related products and FINEOXOCOL etc.		
		vs. Outlook	+0.3 billion	OP increase due to fixed cost etc. <sup>1</sup> down despite sales flat		
	Performance Materials	YOY Change	+1.6 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials		
		vs. Outlook	+0.6 billion	OP increase due to sales increase in Display Materials and Inorganic Materials		
	Agro	YOY Change	+0.8 billion	OP increase due to sales increase in PERMIT and LEIMAY etc.		
		vs. Outlook	+1.3 billion	OP increase due to sales increase in PERMIT and TARGA etc.		
	Healthcare	YOY Change	-0.2 billion	OP decrease due to sales decrease in LIVALO and Custom Chemicals		
		vs. Outlook	in line			

		FY2024 Actual	FY2023 Actual	YOY Change
		<b>41.1billion</b>	<b>33.4billion</b>	<b>+7.7billion(+23%)</b>
1-3Q	Chemicals	YOY Change	-0.2 billion	OP decrease due to fixed cost etc. <sup>1</sup> down despite sales increase in high purified sulfuric acid and TEPIC
	Performance Materials	YOY Change	+4.9 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials
	Agro	YOY Change	+3.4 billion	OP increase due to sales increase in Fluralaner and GRACIA etc.
	Healthcare	YOY Change	-0.7 billion	OP decrease due to sales decrease in LIVALO

1. Fixed cost etc.: including inventory adjustment cost

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Turning to page seven, as always, we have outlined the factors behind changes in operating profit by segment.

Overall, for this 3Q, operating profit increased by JPY3.5 billion YoY, and compared to our earnings forecast, the result also came in roughly the same amount above expectations.

The most notable contributors were Performance Materials, which is positioned slightly above the middle of the chart, and Agrochemicals. In Performance Materials, operating profit increased by JPY1.6 billion YoY, with revenue growth seen across all three areas—display materials, semiconductor materials, and inorganic materials.

Compared to our earnings forecast, Performance Materials also outperformed, primarily due to stronger-than-expected results in display and inorganic materials.

For Agrochemicals, as indicated, higher revenue from PERMIT and LEIMAY led to increased profit. The performance relative to our forecast was also largely in line with this trend.

As for the cumulative 1Q through 3Q period, the breakdown of the JPY7.7 billion increase in operating profit by segment is provided in the lower portion of the page. As indicated, the main drivers were Performance Materials and Agrochemicals, consistent with the trend seen in 3Q.

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

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Interest income, dividend income	0.44	0.30	0.74	0.59	0.66	1.25	+0.15	+0.36	+0.51
Equity in earnings of affiliates	0.40	0.10	0.50	0.14	0.33	0.47	-0.26	+0.23	-0.03
Foreign exchange gains/losses <sup>1</sup>	1.88	-0.80	1.08	-0.83	1.78	0.95	-2.71	+2.58	-0.13
Interest expense	-0.26	-0.12	-0.38	-0.35	-0.14	-0.49	-0.09	-0.02	-0.11
Loss on disposal of non-current assets, others	-0.36	0.03	-0.33	0.05	0.01	0.06	+0.41	-0.02	+0.39
<b>Non-Operating Income/Expenses</b>	<b>2.10</b>	<b>-0.49</b>	<b>1.61</b>	<b>-0.40</b>	<b>2.64</b>	<b>2.24</b>	<b>-2.50</b>	<b>+3.13</b>	<b>+0.63</b>
Extraordinary Income	0.60	0.00	0.60	0.82	0.00	0.82	+0.22	0.00	+0.22
Extraordinary Losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Extraordinary Income/Losses</b>	<b>0.60</b>	<b>0.00</b>	<b>0.60</b>	<b>0.82</b>	<b>0.00</b>	<b>0.82</b>	<b>+0.22</b>	<b>0.00</b>	<b>+0.22</b>

1. FX Rate (¥/\$): 2023/3 133.54, 2023/9 149.58, 2023/12 141.82, 2024/3 151.40, 2024/9 142.82, 2024/12 158.17

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Now, moving on to page eight, this section covers non-operating income or expenses, and extraordinary income or losses.

In the middle of the page, you will find the 3Q figures, and what stands out this quarter is the foreign exchange gain, which is the third line from the top. As I mentioned earlier, the exchange rate at the end of December, as noted in the footnote at the bottom of the page, was JPY158 per USD, reflecting a significant shift toward a stronger dollar. This resulted in a large amount of non-operating income for the quarter.

As a result, looking at the second column from the right, non-operating income and expenses increased by JPY3.1 billion YoY. Meanwhile, there were no significant changes in extraordinary income or losses.



## Cash Flows

Free cash flow in 1-3Q FY2024 is ¥33.9 billion, an increase of ¥12.1 billion from 1-3Q FY2023

(¥billion)

	FY2023 Actual	FY2024 Actual	YOY Change
	1-3Q	1-3Q	
<b>CF from operating activities</b>	<b>33.7</b>	<b>47.3</b>	<b>+13.6</b>
Income before income taxes & non-controlling interests	35.7	44.2	+8.5
Extraordinary loss (income)	-0.6	-0.8	-0.2
Depreciation & amortization <sup>1</sup>	9.5	10.1	+0.6
Income taxes paid	-15.5	-11.6	+3.9
Working capital, others	4.6	5.4	+0.8
<b>CF from investing activities</b>	<b>-11.9</b>	<b>-13.4</b>	<b>-1.5</b>
Purchase of PPE <sup>2</sup>	-14.0	-12.7	+1.3
Purchase and sales of investment securities	0.7	-0.1	-0.8
Others	1.4	-0.6	-2.0
<b>Free cash flow</b>	<b>21.8</b>	<b>33.9</b>	<b>+12.1</b>
<b>CF from financing activities</b>	<b>-25.9</b>	<b>-27.4</b>	<b>-1.5</b>
Payout to shareholders (dividend)	-23.0	-22.7	+0.3
Payout to shareholders (share repurchase)	-5.8	-10.0	-4.2
Liabilities with Interest	7.1	5.3	-1.8
Others	-4.2	0.0	+4.2
Effect of exchange rate change on cash & cash equivalents	0.1	-0.1	-0.2
Change in cash & cash equivalents	-4.0	6.4	+10.4
Cash & cash equivalents at end of period	25.7	29.2	+3.5

1. Including amortization of goodwill 2. Including intangible assets

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Next, moving on to page nine, this section covers cash flow.

The figures in the middle column represent the cumulative results for the 1Q through 3Q period. Operating cash flow came in at JPY47.3 billion, reflecting a cash inflow of approximately JPY13.0 billion more than the previous year.

On the other hand, cash flow from investing activities resulted in a cash outflow of JPY13.4 billion, leading to free cash flow of just under JPY34.0 billion, an increase of approximately JPY12.0 billion YoY.

As for cash and cash equivalents, the balance stood at JPY29.2 billion, showing a slight increase compared to the previous year.

## Balance Sheets

(¥billion)

	2023/12	2024/3	2024/12	vs. 2024/3
<b>Current assets</b>	<b>189.4</b>	<b>202.0</b>	<b>205.4</b>	<b>+3.4</b>
Cash	25.7	22.7	29.2	+6.5
Accounts receivable	64.2	88.8	73.0	-15.8
Inventories	84.9	78.2	90.6	+12.4
Others	14.6	12.3	12.6	+0.3
<b>Fixed assets</b>	<b>120.3</b>	<b>121.5</b>	<b>124.4</b>	<b>+2.9</b>
Total PPE	75.6	77.4	77.9	+0.5
Intangible assets	11.4	10.7	13.0	+2.3
Investment securities	27.5	26.1	25.4	-0.7
Others	5.8	7.3	8.1	+0.8
<b>Total assets</b>	<b>309.7</b>	<b>323.5</b>	<b>329.8</b>	<b>+6.3</b>

	2023/12	2024/3	2024/12	vs. 2024/3
<b>Liabilities</b>	<b>88.3</b>	<b>92.6</b>	<b>101.0</b>	<b>+8.4</b>
Accounts payable	23.4	20.4	23.7	+3.3
Borrowings, CP & Bonds	36.7	41.0	47.7	+6.7
Others	28.2	31.2	29.6	-1.6
<b>Net assets</b>	<b>221.4</b>	<b>230.9</b>	<b>228.8</b>	<b>-2.1</b>
Shareholders' equity <sup>1</sup>	206.1	213.9	213.1	-0.8
Valuation difference on available-for-sale securities	8.6	8.3	7.7	-0.6
Foreign currency translation adjustment	3.3	4.2	3.9	-0.3
Non-controlling interests	3.3	3.4	3.2	-0.2
Remeasurements of defined benefit plans	0.1	1.1	0.9	-0.2
<b>Total liabilities &amp; net assets</b>	<b>309.7</b>	<b>323.5</b>	<b>329.8</b>	<b>+6.3</b>
<b>Equity Ratio</b>	<b>70.4%</b>	<b>70.3%</b>	<b>68.4%</b>	
<b>D/E Ratio<sup>2</sup></b>	<b>5.4%</b>	<b>8.5%</b>	<b>8.7%</b>	

### Breakdown of Investment Securities

	2023/12	2024/3	2024/12	vs. 2024/3
<b>Listed shares<sup>3</sup></b>	<b>17.9</b>	<b>17.1</b>	<b>16.5</b>	<b>-0.6</b>
(Number of stocks held, Non-consolidated basis)	(26)	(24)	(24)	(0)
<b>Unlisted shares</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>	<b>-0.1</b>
<b>Subsidiaries/Associate shares</b>	<b>7.1</b>	<b>6.7</b>	<b>6.7</b>	<b>0.0</b>
<b>Total</b>	<b>27.5</b>	<b>26.1</b>	<b>25.4</b>	<b>-0.7</b>
<b>Strategic shareholdings on net assets<sup>4</sup></b>	<b>8.3%</b>	<b>7.7%</b>	<b>7.4%</b>	

1. Change in shareholders' equity -0.8 = Net Income 31.7 - Dividend and others 32.5

3. 2024/3 17.1 + Acquisition 0.0 + Sales and valuation difference -0.6 = 2024/9 16.5

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

### Reference

2018/3
30.0
(55)
1.7
6.8
38.5
17.0%

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

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Next, turning to page 10, this section covers the balance sheet.

In the upper left, we have total assets, which stand at JPY6.3 billion. This represents an increase compared to the end of the previous fiscal year, meaning a comparison with the end of March. Breaking this down, the increase is mainly due to higher cash and cash equivalents, as well as an increase in inventories. On the other hand, accounts receivable decreased as collection progressed.

Regarding inventories, compared to the end of the previous fiscal year, there was an increase of JPY12.4 billion. However, when looking at the end of December versus a year ago, the increase was slightly below JPY6.0 billion. We believe that the pace of inventory growth has slowed considerably.

On the liabilities side, shown on the right, accounts payable increased, and interest-bearing debt also rose slightly.

As a result, our equity ratio, as indicated on the lower right, stands at 68.4%. We believe that we continue to maintain a sound financial structure.

Regarding investment securities, as shown in the lower left, the proportion of strategic shareholdings relative to total net assets remains in the low 7% range.



## 3Q FY2024 Financial Results YOY Change by Segment

(¥billion)

		FY2023 Actual			FY2024 Actual			YOY Change		
		1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Chemicals	Sales	17.9	9.6	27.5	17.9	10.2	28.1	0.0 (0%)	+0.6 (+6%)	+0.6 (+2%)
	OP	-0.1	0.4	0.3	-0.4	0.5	0.1	-0.3 (-)	+0.1 (+21%)	-0.2 (-77%)
Performance Materials	Sales	40.5	21.4	61.9	48.6	25.6	74.2	+8.1 (+20%)	+4.2 (+19%)	+12.3 (+20%)
	OP	11.1	6.3	17.4	14.4	7.9	22.3	+3.3 (+29%)	+1.6 (+26%)	+4.9 (+28%)
Agrochemicals	Sales	35.3	13.2	48.5	39.2	14.6	53.8	+3.9 (+11%)	+1.4 (+11%)	+5.3 (+11%)
	OP	11.6	2.9	14.5	14.2	3.7	17.9	+2.6 (+22%)	+0.8 (+28%)	+3.4 (+23%)
Healthcare	Sales	3.5	1.3	4.8	3.3	1.1	4.4	-0.2 (-7%)	-0.2 (-13%)	-0.4 (-9%)
	OP	1.8	0.5	2.3	1.3	0.3	1.6	-0.5 (-30%)	-0.2 (-25%)	-0.7 (-29%)
Trading, Others, Adjustment	Sales	8.5	4.1	12.6	9.2	5.1	14.3	+0.7	+1.0	+1.7
	OP	-0.3	-0.8	-1.1	-1.2	0.4	-0.8	-0.9	+1.2	+0.3
Total	Sales	105.7	49.6	155.3	118.2	56.6	174.8	+12.5 (+12%)	+7.0 (+14%)	+19.5 (+13%)
	OP	24.1	9.3	33.4	28.3	12.8	41.1	+4.2 (+18%)	+3.5 (+36%)	+7.7 (+23%)

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 p57, p58 for breakdown)

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Now, moving on to the segment overview. The specific figures for each segment can be found on page 12, which presents a YoY comparison.

## 3Q FY2024 Financial Results Compared to Outlook by Segment

(¥billion)

		FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook
		3Q	1-3Q	3Q	1-3Q	3Q
<b>Chemicals</b>	Sales	10.3	28.2	10.2	28.1	-0.1
	OP	0.2	-0.2	0.5	0.1	+0.3
<b>Performance Materials</b>	Sales	24.5	73.1	25.6	74.2	+1.1
	OP	7.3	21.7	7.9	22.3	+0.6
<b>Agrochemicals</b>	Sales	12.5	51.7	14.6	53.8	+2.1
	OP	2.4	16.6	3.7	17.9	+1.3
<b>Healthcare</b>	Sales	1.1	4.4	1.1	4.4	0.0
	OP	0.3	1.6	0.3	1.6	0.0
<b>Trading, Others, Adjustment</b>	Sales	3.8	13.0	5.1	14.3	+1.3
	OP	-0.8	-2.0	0.4	-0.8	+1.2
<b>Total</b>	Sales	52.2	170.4	56.6	174.8	+4.4
	OP	9.4	37.7	12.8	41.1	+3.4

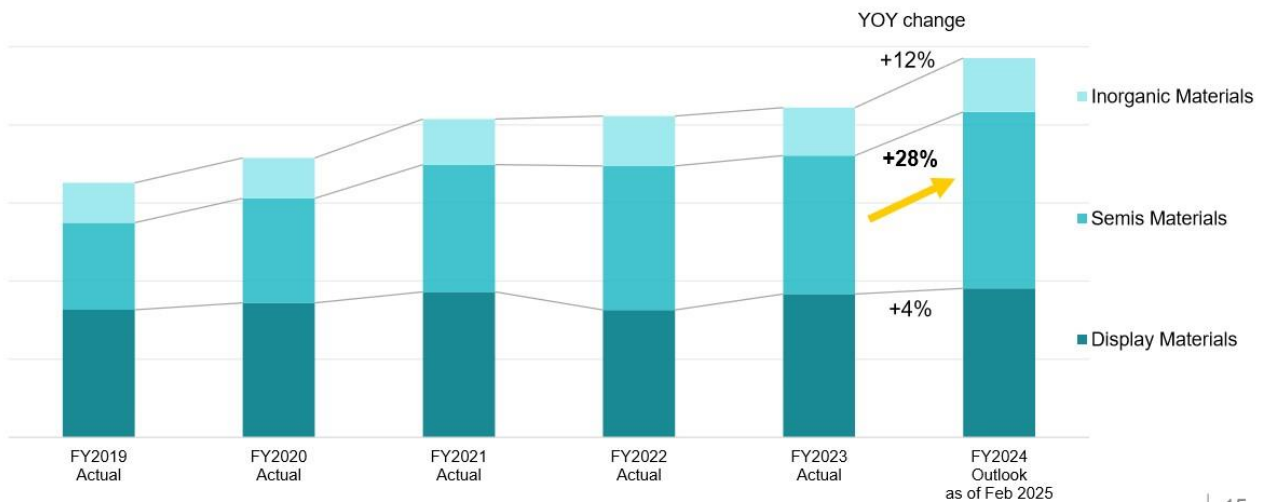
1. Including inter-segment sales/transfers

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 p57, p58 for breakdown)

Page 13 shows segment figures compared to our earnings forecast, so please review that later.

- 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**



Now, let's begin with the Performance Materials segment. Please turn to page 15.

As I will explain later, our 2H forecast for this fiscal year remains unchanged from the figures announced in November. Accordingly, the revenue growth rate shown in this graph is also unchanged from the November outlook. In particular, semiconductor materials are expected to see significant growth.

- DP Materials: [1-3Q] Sales YOY +4%, Sales above target
- Semis Materials: [1-3Q] Sales YOY +39%, Sales above target
- Inorganic Materials: [1-3Q] Sales YOY +17%, Sales above target

Main Products	YOY Change		vs. Outlook as of Nov 2024
	3Q	1-3Q	3Q
<b>Total Display Materials</b>	<b>+9%</b>	<b>+4%</b>	<b>Above</b>
<b>ARC®</b>	<b>+15%</b>	<b>+26%</b>	<b>Below</b>
<b>Multi layer process materials</b>	<b>+96%</b>	<b>+78%</b>	<b>Above</b>
<b>EUV materials<sup>1</sup></b>	<b>+21%</b>	<b>+35%</b>	<b>Below</b>
<b>Total Semis Materials</b>	<b>+34%</b>	<b>+39%</b>	<b>Above</b>
<b>Total Inorganic Materials</b>	<b>+11%</b>	<b>+17%</b>	<b>Above</b>
<b>Total Segment</b>	<b>+19%</b>	<b>+20%</b>	<b>Above</b>

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

Moving on to page 16.

This page presents the YoY growth rates of key products in terms of revenue for 3Q and the cumulative 1Q through 3Q period.

Looking at the figures, for display materials, 3Q revenue increased by 9% YoY. Semiconductor materials saw particularly strong growth, especially in multi layer process materials, resulting in a 34% YoY increase. Inorganic materials also posted an 11% increase. Overall, the segment recorded close to 20% growth.

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	40.5	21.4	61.9	48.6	25.6	74.2	+8.1	+4.2	+12.3
OP	11.1	6.3	17.4	14.4	7.9	22.3	+3.3	+1.6	+4.9

Fixed cost & others [3Q] up ¥1.0 billion [1-3Q] up ¥3.1 billion

Display Materials	<b>[3Q][1-3Q] Sales &amp; OP up</b>		Semis Materials	<b>[3Q][1-3Q] Sales &amp; OP up</b>	
	Photo IPS	Non-Smartphone overall up [3Q] Sales up (large monitor and automobile up) [1-3Q] Sales up (large monitor and notebook PC up)		Semis market (mainly advanced materials) recovery Inventory buildup at some customers in 3Q FY2024 as in 2Q	
	Rubbing IPS	[3Q] Sales up [1-3Q] Sales down		ARC®	[3Q][1-3Q] Sales up
	VA	[3Q][1-3Q] Sales up (TV production recovery)		Multi layer process materials	[3Q][1-3Q] Sales up
	Fixed cost & others [1-3Q] up ¥0.1 billion		EUV materials	[3Q][1-3Q] Sales up	
			Fixed cost & others [3Q] up ¥1.1 billion [1-3Q] up ¥3.0 billion		
			Inorganic Materials	<b>[3Q] [1-3Q] Sales &amp; OP up</b>	
				[3Q] Sales up in SNOWTEX (especially polishing), Organo/Monomer Sol [1-3Q] Sales up in SNOWTEX (especially polishing), Organo/Monomer Sol	

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Next, on page 17, we have the YoY revenue and operating profit figures for 3Q.

First, regarding display materials, as shown on the left side, both 3Q and the cumulative 1Q through 3Q period saw revenue and profit growth.

In particular, within display materials, photo IPS for large monitors and automobile applications drove revenue growth in 3Q.

On the right side, semiconductor materials also recorded revenue and profit growth across the board. The recovery in the advanced-generation market, along with increased utilization by customers, contributed to this performance.

Additionally, in 3Q, as in 2Q, some customers increased their inventory levels.

For inorganic materials, both revenue and profit also increased. In particular, SNOWTEX for polishing agents and Organo and Monomer Sol products performed well.

Finally, regarding fixed costs & others, as noted in the small text below the table in the upper left, fixed costs & others increased by JPY1.0 billion YoY in 3Q and by JPY3.1 billion for the cumulative 1Q through 3Q period.

Most of the increase in fixed costs & others was related to semiconductor materials, and while inventory adjustment cost had some impact, fixed costs themselves also increased.

(¥billion)

	FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	24.5	73.1	25.6	74.2	+1.1
OP	7.3	21.7	7.9	22.3	+0.6

Fixed cost & others [3Q] less than outlook ¥0.2 billion

Display Materials	<b>[3Q] Sales &amp; OP above target</b>		Semis Materials	<b>[3Q] Sales above target, OP in line with target</b>	
	Photo IPS	Sales above target (large monitor and tablet above target)			Semis market (mainly advanced materials) recovery Inventory buildup at some customers in 3Q FY2024 as in 2Q
	Rubbing IPS	Sales below target		ARC®	Sales below target (customer production decreased)
	VA	Sales above target (shipment shifted from 4Q FY2024)		Multi layer process materials	Sales above target
				EUV materials	Sales below target (customer production decreased)
			Inorganic Materials	<b>[3Q] Sales &amp; OP above target</b>	
				Sales above target in Organo/Monomer Sol	
				Fixed cost & others less than outlook ¥ 0.2 billion	

Now, moving on to page 18.

This page presents a comparison of the Performance Materials segment's results versus our earnings forecast.

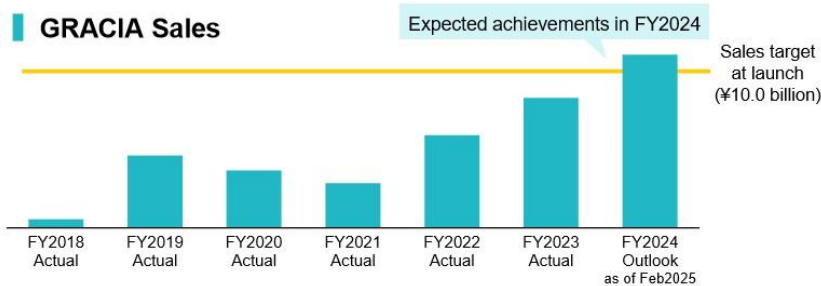
As indicated in the materials, both sales and profits in Performance Materials exceeded the forecast. However, as noted in the lower right, in semiconductor materials, while revenue exceeded forecasts, operating profit came in as expected. This was due in part to a slight decrease in utilization at some customers for ARC and EUV materials.



【1-3Q】 Sales YOY +11%, Sales above target

Main Products (Agro: in order of FY2023 Sales amount)	Types	YOY Change		vs. Outlook as of Nov 2024	
		3Q	1-3Q	3Q	
Agro	ROUNDUP <sup>1</sup>	Herbicide	+2%	-1%	Above
	ALTAIR	Herbicide	-11%	+8%	Above
	GRACIA	Insecticide	+12%	+33%	Below
	TARGA	Herbicide	-5%	-37%	Above
	DITHANE	Fungicide	-30%	-26%	Below
	PERMIT	Herbicide	+332%	+9%	Above
	LEIMAY	Fungicide	+149%	+130%	Above
Animal Health	Fluralaner	Animal Health products	-3%	+14%	Above
Total Segment <sup>2</sup>		-	+11%	+11%	Above

GRACIA Sales



Reference

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

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

1. ROUNDUP AL for general household account for 31% of total ROUNDUP sales (1-3Q FY2024 Actual)
2. Total segment sales YOY include discount

Next, let's move on to the Agrochemicals segment. Please turn to page 20.

This page presents the YoY growth rates of major products for both 3Q and the cumulative 1Q through 3Q period.

For the segment as a whole, revenue grew by 11% YoY in both 3Q and the cumulative 1Q through 3Q period. Performance also exceeded our earnings forecast. Looking at individual products, in particular, GRACIA and LEIMAY, posted strong growth YoY.

The revenue trend for GRACIA is shown in the bar chart on the lower left. For this fiscal year, we expect steady revenue growth, and we had originally set a sales target of JPY10.0 billion at the time of its launch. We now anticipate achieving this target in this fiscal year.

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	35.3	13.2	48.5	39.2	14.6	53.8	+3.9	+1.4	+5.3
OP	11.6	2.9	14.5	14.2	3.7	17.9	+2.6	+0.8	+3.4

Fixed cost & others [3Q] up ¥0.4 billion [1-3Q] up ¥0.2 billion (including a temporary factor (decrease in amortization expense of ¥1.1 billion))

[3Q] Sales & OP up

<b>ROUNDUP</b>	Sales up	<b>PERMIT</b>	Sales up (export: shipment shifted to 3Q FY2024)
<b>ALTAIR</b>	Sales down (export: sales down due to distribution inventory adjustment in Asia)	<b>LEIMAY</b>	Sales up (export: sales up due to increased demand in Europe)
<b>GRACIA</b>	Sales up (domestic: sales expansion)	<b>Fluralaner</b>	Sales down (API: sales down due to shipment shifted to 1H FY2024, royalties: sales down, partly affected by JPY appreciation)
<b>DITHANE</b>	Sales down (export: shipment shifted to 4Q FY2024)		

[1-3Q] Sales & OP up

<b>ROUNDUP</b>	Sales down (ML: volume down due to distribution inventory adjustment)	<b>PERMIT</b>	Sales up (export: sales up due to increased demand in Europe)
<b>GRACIA</b>	Sales up (domestic: sales expansion, export: sales expansion in Asia, etc.)	<b>LEIMAY</b>	Sales up (export: sales up due to increased demand in Europe)
<b>TARGA</b>	Sales down (export: shipment shifted to FY2023, sales down in Europe due to distribution inventory adjustment)	<b>Fluralaner</b>	Sales up (API: sales up, royalties: sales up partly affected by JPY depreciation)
<b>DITHANE</b>	Sales down (export: shipment shifted to 4Q FY2024)		

| 21

Turning to page 21, this presents a YoY comparison.

Both revenue and profit increased, and we have provided some comments on individual product performance.

(¥billion)

	FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook as of Nov 2024
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	12.5	51.7	14.6	53.8	+2.1
OP	2.4	16.6	3.7	17.9	+1.3

Fixed cost & others [3Q] less than outlook ¥0.2 billion

[3Q] Sales & OP above target

ROUNDUP Sales above target

GRACIA Sales below target (export: sales below target)

TARGA Sales above target  
(export: shipment shifted from 4Q FY2024)

PERMIT Sales above target (export: sales up due to increased demand in USA and Asia)

LEIMAY Sales above target  
(export: shipment shifted from 4Q FY2024)

Fluralaner Sales above target (API: sales up, royalties: sales in line with target, partly affected by JPY appreciation)

Next, turning to page 22.

This page presents a comparison with our earnings forecast, structured in the same way as previous pages. Please review it later at your convenience.

- 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® for Ecto	III. BRAVECTO® for Endecto
<ul style="list-style-type: none"> <li>■ Invented by Nissan Chemical and supplied to MSD<sup>1</sup> as the active pharmaceutical ingredient of BRAVECTO® and EXZOLT®</li> <li>■ Currently, BRAVECTO® series and EXZOLT® are available in more than 100 countries</li> <li>■ Compound patent                             <ul style="list-style-type: none"> <li>● Fluralaner's compound patent expires in March 2025, but many countries have the patent term extension system                                     <ul style="list-style-type: none"> <li>• Some EU countries including UK, France, and Germany – already extended to February 2029</li> <li>• USA - extended to June 2027</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Developed and launched by MSD</li> <li>■ Veterinary medical products providing 12 weeks<sup>2</sup> of continuous protection for dogs and cats against fleas and ticks with immediate effect, nearly 3 times longer than any monthly products in the market.</li> <li>■ Chewable tablet for dogs launched in:                             <ul style="list-style-type: none"> <li>● April 2014 EU, thereafter, USA, Japan, etc.</li> <li>● July 2020 monthly chews for puppies in USA</li> </ul> </li> <li>■ Spot-on solution for dogs and cats launched in:                             <ul style="list-style-type: none"> <li>● July 2016 EU, thereafter, USA, Japan, etc.</li> </ul> </li> <li>■ Injectable solution for dogs (BRAVECTO® Quantum)                             <ul style="list-style-type: none"> <li>● Providing 12 months<sup>3</sup> of continuous protection</li> <li>● Launched in Australia in June 2024, and thereafter, in Europe, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ BRAVECTO® Plus                             <ul style="list-style-type: none"> <li>● spot-on solution for cats</li> <li>● Launched in EU in July 2018, thereafter, USA, Japan, etc.</li> </ul> </li> <li>■ BRAVECTO® TriUNO                             <ul style="list-style-type: none"> <li>● Three-in-one chewable tablet for dogs</li> <li>● Providing 1 month of continuous protection</li> <li>● Approved in EU countries and Latin America in October 2024</li> </ul> </li> </ul>
	IV. EXZOLT®	
	<ul style="list-style-type: none"> <li>■ Poultry medicine against red mite (administered via drinking water)                             <ul style="list-style-type: none"> <li>● Launched in EU in 2017, thereafter, Korea, Middle East and Japan.</li> </ul> </li> <li>■ Cattle medicine                             <ul style="list-style-type: none"> <li>● Launched in Brazil in 2022, thereafter Mexico</li> </ul> </li> <li>■ Sheep medicine                             <ul style="list-style-type: none"> <li>● Launched in Australia and New Zealand in 2023</li> </ul> </li> </ul>	

1. MSD: MSD Animal Health, the global animal health business unit of Merck    2. 8 weeks for *Rhipicephalus sanguineus* ticks    3. 11 months for *Rhipicephalus sanguineus* ticks

Now, let's skip ahead to page 25.

Here, we have an update regarding the compound patent for Fluralaner.

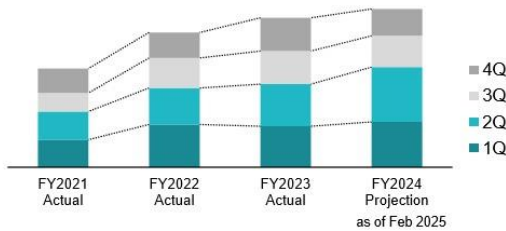
As shown on the lower left of page 25, it has been confirmed that the patent in the US has been extended until June 2027. Accordingly, this has been noted in the materials.

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

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

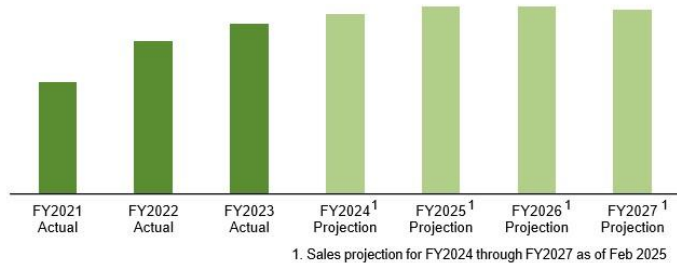
1. API: Active Pharmaceutical Ingredient

**FY2021 - FY2024 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).

**FY2021 Actual - FY2027 Projection Sales Image (including royalties)**



1. Sales projection for FY2024 through FY2027 as of Feb 2025

- Large sales increase in FY2022 due to 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 FY2024 is ¥152/\$.
- Assumed exchange rate for FY2025, 2026 and 2027 is ¥140/\$.

**BRAVECTO<sup>®</sup> series R&D**

- MSD is developing new internal and external parasiticides for pets with Fluralaner as the API, and expanding the number of the countries for existing products.

On page 26, the bar chart on the right reflects this update, presenting a revenue outlook through FY2027.

Please note that while we have provided this projection as a general reference, the specific figures are not disclosed.

As you can see, we do not expect significant fluctuations from FY2024 onward. Additionally, regarding the assumed exchange rate for this projection, as indicated in the box on the lower right, we have used JPY140 per USD for FY2025 and beyond.



(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	17.9	9.6	27.5	17.9	10.2	28.1	0.0	+0.6	+0.6
Fine Chemicals	6.0	3.0	9.0	6.3	3.4	9.7	+0.3	+0.4	+0.7
Basic Chemicals	11.9	6.6	18.5	11.6	6.8	18.4	-0.3	+0.2	-0.1
OP	-0.1	0.4	0.3	-0.4	0.5	0.1	-0.3	+0.1	-0.2

Fixed cost &amp; others [3Q] up ¥0.1 billion [1-3Q] up ¥0.6 billion

**[3Q] Sales & OP up [1-3Q] Sales & OP up**

 TEPIC for general applications [3Q] Sales down -17%  
[1-3Q] Sales up +14%

 TEPIC for electronic materials [3Q] Sales up +23%  
(some shipment shifted from 1H FY2024)  
[1-3Q] Sales up +12%

 Environmental related products [3Q] Sales up +20%  
[1-3Q] Sales up +3%

 FINEOXOCOL [3Q] Sales up +54%  
(demand recovery for cosmetics)  
[1-3Q] Sales up +28%  
(demand recovery for cosmetics)

**[3Q] Sales & OP up [1-3Q] Sales & OP down**

 Urea/AdBlue® [3Q] Sales up +3%  
[1-3Q] Sales down -9%  
(volume down in 1H FY2024, inventory level down due to earthquake in FY2023)

 High purity sulfuric acid [3Q] Sales up +9%  
(demand increase for semiconductors)  
[1-3Q] Sales up +25%  
(demand increase for semiconductors)

 Nitric acid products [3Q] Sales down -1%  
[1-3Q] Sales down -4%

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Next, let's move on to the Chemicals segment. Please turn to page 29.

This page presents a YoY comparison of revenue and operating profit.

For 3Q, revenue increased by JPY0.6 billion compared to the same period last year, while operating profit saw a slight increase of JPY0.1 billion.

Within fine chemicals, TEPIC for general applications experienced a slight decline in revenue. However, sales of TEPIC for electronic materials, environmental related products, and FINEOXOCOL increased.



(¥billion)

	FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	10.3	28.2	10.2	28.1	-0.1
Fine Chemicals	3.4	9.7	3.4	9.7	0.0
Basic Chemicals	6.9	18.5	6.8	18.4	-0.1
OP	0.2	-0.2	0.5	0.1	+0.3

Fixed cost & others [3Q] less than outlook ¥0.2 billion

### [3Q] Sales in line with target, OP above target

Fine Chemicals	
TEPIC for general applications	Sales below target
TEPIC for electronic materials	Sales above target
Environmental related products	Sales below target
FINEOXOCOL	Sales above target (demand recovery for cosmetics)

### [3Q] Sales & OP below target

Basic Chemicals	
Urea/AdBlue®	Sales in line with target
High purity sulfuric acid	Sales below target (customer production was lower than expectation)
Nitric acid products	Sales below target

Now, moving on to page 30, which compares results against our earnings forecast.

For 3Q, operating profit exceeded our forecast by approximately JPY0.3 billion. Of this, JPY0.2 billion, as noted in the lower left of the table, was due to fixed cost & others, in particular, inventory adjustment cost, which contributed positively to profits.

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	3.5	1.3	4.8	3.3	1.1	4.4	-0.2	-0.2	-0.4
Healthcare	1.3	0.6	1.9	0.8	0.5	1.3	-0.5	-0.1	-0.6
Custom Chemicals	2.3	0.7	3.0	2.5	0.6	3.1	+0.2	-0.1	+0.1
OP	1.8	0.5	2.3	1.3	0.3	1.6	-0.5	-0.2	-0.7
Healthcare	0.6	0.2	0.8	0.1	0.1	0.2	-0.5	-0.1	-0.6
Custom Chemicals	1.2	0.3	1.5	1.1	0.2	1.3	-0.1	-0.1	-0.2

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

#### [3Q] Sales & OP down

Healthcare sales down (LIVALO domestic up, export down), Custom Chemicals sales down (some shipment shifted to 1H FY2024)

#### [1-3Q] 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)

Finally, let's move on to the Healthcare segment. Please turn to page 34.

As shown here, both revenue and operating profit for 3Q declined slightly compared to the same period last year.

(¥billion)

	FY2024 Outlook as of Nov 2024		FY2024 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	1.1	4.4	1.1	4.4	0.0
Healthcare	0.3	1.1	0.5	1.3	+0.2
Custom Chemicals	0.7	3.2	0.6	3.1	-0.1
OP	0.3	1.6	0.3	1.6	0.0
Healthcare	0.0	0.1	0.1	0.2	+0.1
Custom Chemicals	0.3	1.4	0.2	1.3	-0.1

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

### [3Q] Sales & OP in line with target

Healthcare sales above target (LIVALO domestic and export above target),  
Custom Chemicals below target (shipment decrease in Generic APIs)

Regarding the comparison with our earnings forecast, as shown on page 35, both revenue and operating profit for 3Q were largely in line with expectations.

## Summary of FY2024 Outlook

### FY2024 Full-Year Outlook is revised upward (OP ¥55.0 billion)

Full-year Outlook is revised based on 1-3Q actual and 4Q outlook.

Main segments<sup>1</sup> remain unchanged from Nov 2024, and Adjustment segment is revised upward.

1. Chemicals, Performance Materials, Agrochemicals, Healthcare

Full-Year	vs. FY2023	<ul style="list-style-type: none"> <li>■ Sales up ¥20.9 billion (+9%)</li> <li>■ OP up ¥6.8 billion (+14%), Net Income up ¥2.9 billion (+8%)</li> <li>■ <b>OP expected to renew the highest results for the full year</b></li> <li>■ ROE Outlook for FY2024 is 17.7%</li> </ul>
Full-Year	vs. Outlook as of November 2024	<ul style="list-style-type: none"> <li>■ Sales above target ¥2.6 billion</li> <li>■ OP above target ¥2.0 billion, Net Income above target ¥1.5 billion</li> </ul>

### Current situation

The current 4Q sales image in main segments compared to 4Q outlook announced this time is as follows:

- Semis, Inorganic, and export in Agrochemicals may be above target
- Fluralaner and Custom Chemical may be below target due to some shipment shifted to FY2025

### Shareholders Return (Full-Year Outlook)

- Annual dividend is ¥164/share (unchanged from November 2024)
- Completed ¥10.0 billion share repurchase (period: May 2024- December 2024)

<b>Dividend</b>	¥164/share (1H ¥70/share, 2H ¥94/share), Dividend Payout Ratio : 55.2% vs. FY2023: same, vs. Outlook as of November 2024: unchanged
<b>Share Repurchase</b>	Completed ¥10.0 billion (period: May 2024 – December 2024, 2.0 million shares) FY2023 Actual: ¥10.0 billion, 1.7 million shares
<b>Share Cancellation</b>	Cancelled 1.0 million shares in September 2024
<b>Total Payout Ratio Outlook</b>	79.4%
<b>Mid-Term Plan Target</b>	Total Payout Ratio Target: 75%, Dividend Payout Ratio Target: 55%

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Now, moving on to page 37, I will explain the upward revision to our full-year earnings forecast, which I mentioned at the beginning.

As stated earlier, we have set our full-year operating profit forecast at JPY55.0 billion. This figure was determined based on the cumulative 1Q through 3Q results I just explained, as well as our outlook for 4Q.

However, as indicated in the materials, the full-year forecasts for our major segments remain unchanged from the figures announced in November. The revision comes from an upward adjustment to the “adjustments” segment.

Since it is still early February, it is naturally difficult to make a highly precise estimate for 4Q. Given this uncertainty, we have decided on this approach.

As a result, on a full-year basis, we expect revenue to increase by 9% YoY. Operating profit is projected to rise by 14%, or JPY6.8 billion, while net income is expected to increase by 8%, or JPY2.9 billion.

An operating profit level of JPY55.0 billion would mark a new record high for the Company. Additionally, our projected ROE stands at 17.7%. Compared to our previous earnings forecast, operating profit is expected to come in JPY2.0 billion higher, as noted in the materials.

Regarding the current business environment, as described in the second paragraph below, we have outlined our latest sales outlook for key segments in 4Q compared to 4Q outlook announced this time, providing an indication of trends based on what we can see at this moment.

Semiconductor materials, inorganic materials, and overseas Agrochemicals have the potential to exceed expectations. On the other hand, animal health products and custom chemicals may see some downside due to shipment timing shifts into FY2025.

As for shareholder returns, as mentioned earlier, the annual dividend remains unchanged at JPY164 per share. Share buybacks were completed in December, with a total acquisition of JPY10.0 billion. As a result, the total payout ratio is expected to be 79.4%, aligning with our mid-term management plan target.

## FY2024 Outlook Summary YOY Change



(¥billion)

	FY2023 Actual					FY2024 Outlook as of Feb 2025					YOY Change				
	1H	3Q	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total	1H	3Q	4Q	2H	Total
<b>Sales</b>	105.7	49.6	71.4	121.0	226.7	118.2	56.6	72.8	129.4	247.6	+12.5 (+12%)	+7.0	+1.4	+8.4 (+7%)	+20.9 (+9%)
<b>Operating Profit</b>	24.1	9.3	14.8	24.1	48.2	28.3	12.8	13.9	26.7	55.0	+4.2 (+18%)	+3.5	-0.9	+2.6 (+11%)	+6.8 (+14%)
<b>Non-Operating Income/Expenses</b>	2.1	-0.5	1.8	1.3	3.4	-0.4	2.6	-1.3	1.3	0.9	-2.5	+3.1	-3.1	0.0	-2.5
Foreign exchange Gains/Losses	1.9	-0.8	1.1	0.3	2.2	-0.8	1.8	-1.5	0.3	-0.5	-2.7	+2.6	-2.6	0.0	-2.7
<b>Ordinary Income</b>	26.2	8.8	16.6	25.4	51.6	27.9	15.4	12.6	28.0	55.9	+1.7 (+7%)	+6.6	-4.0	+2.6 (+10%)	+4.3 (+8%)
<b>Extraordinary Income/Losses</b>	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
<b>Net Income<sup>1</sup></b>	19.5	6.5	12.0	18.5	38.0	20.5	11.2	9.2	20.4	40.9	+1.0 (+5%)	+4.7	-2.8	+1.9 (+10%)	+2.9 (+8%)
<b>EBITDA<sup>2</sup></b>	30.0	12.9	19.1	32.0	62.0	34.5	16.7	18.2	34.9	69.4	+4.5	+3.8	-0.9	+2.9	+7.4
<b>EPS (¥/share)</b>	139.55	46.47	86.80	133.27	272.82	148.78	81.49	66.98	148.47	297.25	+9.23	+35.02	-19.82	+15.20	+24.43
<b>Dividend (¥/share)</b>	70	-	-	94	164	70	-	-	94	164	0	-	-	0	0
<b>Dividend Payout Ratio (%)</b>	-	-	-	-	60.1%	-	-	-	-	55.2%	-	-	-	-	-4.9pt
<b>Total amount of Dividend</b>	9.8	-	-	13.0	22.8	9.6	-	-	12.9	22.5	-0.2	-	-	-0.1	-0.3
<b>OP Margin</b>	22.8%	18.8%	20.7%	19.9%	21.3%	24.0%	22.5%	19.1%	20.6%	22.2%	+1.2pt	+3.7pt	-1.6pt	+0.7pt	+0.9pt
<b>ROE</b>	-	-	-	-	17.1%	-	-	-	-	17.7%	-	-	-	-	+0.6pt
<b>FX Rate (¥/\$)</b>	141	148	149	148	145	153	152	150	150	152	-	-	-	-	-
<b>Crude Oil (JCC) (\$/bbl)<sup>3</sup></b>	83	91	84	88	86	87	78	87	83	85	-	-	-	-	-

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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For specific figures, please refer to page 38.

In the middle section, highlighted in blue, our annual forecasts are presented, showing revenue at JPY247.6 billion, operating profit at JPY55.0 billion, ordinary income at JPY55.9 billion, and net income at JPY40.9 billion.

Regarding foreign exchange rates, as indicated in the second-to-last row, the average rate for 3Q was JPY152 per USD, while our assumption for 4Q is JPY150 per USD.

## FY2024 Outlook Summary Compared to Outlook



(¥billion)

	FY2024 Outlook as of Nov 2024			FY2024 Outlook as of Feb 2025			vs. Outlook	
	1H Actual	2H	Total	1H Actual	2H	Total	2H	Total
Sales	118.2	126.8	245.0	118.2	129.4	247.6	+2.6	+2.6
Operating Profit	28.3	24.7	53.0	28.3	26.7	55.0	+2.0	+2.0
Non-Operating Income/Expenses	-0.4	0.6	0.2	-0.4	1.3	0.9	+0.7	+0.7
Foreign exchange Gains/Losses	-0.8	0.0	-0.8	-0.8	0.3	-0.5	+0.3	+0.3
Ordinary Income	27.9	25.3	53.2	27.9	28.0	55.9	+2.7	+2.7
Extraordinary Income/Losses	0.8	0.6	1.4	0.8	0.6	1.4	0.0	0.0
Net Income <sup>1</sup>	20.5	18.9	39.4	20.5	20.4	40.9	+1.5	+1.5
EBITDA <sup>2</sup>	34.5	32.9	67.4	34.5	34.9	69.4	+2.0	+2.0
EPS (¥/share) <sup>3</sup>	148.78	137.16	285.94	148.78	148.47	297.25	+11.31	+11.31
Dividend (¥/share)	70	94	164	70	94	164	0	0
Dividend Payout Ratio (%)	-	-	57.4%	-	-	55.2%	-	-2.2pt
Total amount of Dividend	9.6	12.9	22.5	9.6	12.9	22.5	0.0	0.0
OP Margin	24.0%	19.4%	21.6%	24.0%	20.6%	22.2%	-	-
ROE <sup>3</sup>	-	-	17.1%	-	-	17.7%	-	+0.6pt
FX Rate (¥/\$)	153	145	149	153	150	152	-	-
Crude Oil (JCC) (\$/bbl) <sup>3</sup>	87	87	87	87	83	85	-	-

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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Next, on page 39, we provide a comparison of our previous outlook with our updated outlook. Please review it later at your convenience.



## FY2024 Financial Outlook YOY Change by Segment

(¥billion)

		FY2023 Actual					FY2024 Outlook as of Feb 2025					YOY Change					
		1H	3Q	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total	1H	3Q	4Q	2H	Total	
Chemicals	Sales	17.9	9.6	8.1	17.7	35.6	17.9	10.2	10.4	20.6	38.5	0.0 (0%)	+0.6	+2.3	+2.9	+2.9	+2.9 (+8%)
	OP	-0.1	0.4	-0.3	0.1	0.0	-0.4	0.5	0.0	0.5	0.1	-0.3 (-)	+0.1	+0.3	+0.4	+0.1	+0.1 (-)
Performance Materials	Sales	40.5	21.4	22.7	44.1	84.6	48.6	25.6	23.2	48.8	97.4	+8.1 (+20%)	+4.2	+0.5	+4.7	+12.8	+12.8 (+15%)
	OP	11.1	6.3	5.1	11.4	22.5	14.4	7.9	6.0	13.9	28.3	+3.3 (+29%)	+1.6	+0.9	+2.5	+5.8	+5.8 (+26%)
Agrochemicals	Sales	35.3	13.2	33.6	46.8	82.1	39.2	14.6	32.5	47.1	86.3	+3.9 (+11%)	+1.4	-1.1	+0.3	+4.2	+4.2 (+5%)
	OP	11.6	2.9	8.9	11.8	23.4	14.2	3.7	7.8	11.5	25.7	+2.6 (+22%)	+0.8	-1.1	-0.3	+2.3	+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	-0.1	-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	-0.5	-0.5 (-18%)
Trading, Others, Adjustment	Sales	8.5	4.1	5.5	9.6	18.1	9.2	5.1	4.9	10.0	19.2	+0.7	+1.0	-0.6	+0.4	+1.1	+1.1
	OP	-0.3	-0.8	0.6	-0.2	-0.5	-1.2	0.4	-0.6	-0.2	-1.4	-0.9	+1.2	-1.2	0.0	-0.9	-0.9
Total	Sales	105.7	49.6	71.4	121.0	226.7	118.2	56.6	72.8	129.4	247.6	+12.5 (+12%)	+7.0	+1.4	+8.4	+20.9	+20.9 (+9%)
	OP	24.1	9.3	14.8	24.1	48.2	28.3	12.8	13.9	26.7	55.0	+4.2 (+18%)	+3.5	-0.9	+2.6	+6.8	+6.8 (+14%)

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 p57, p58 for breakdown)

3. Sales and OP for Planning & Development Division in FY2023 Actual and FY2024 Outlook as of Feb 2025 are disclosed on p47

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Additionally, the segment-specific 4Q figures have been incorporated into the table on page 40, so please take a look at those as well.

That concludes my remarks.

## Question & Answer

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### <Questioner 1>

**Q:** It was mentioned that the earnings forecast revision was limited to the adjustment segment. Could you share any insights on segment-level trends that you're seeing now?

**A:** As for the current situation, which is exactly what I mentioned on page 37 titled "Current situation", I believe that the semiconductor and inorganic materials will probably move upward in comparison with the 4Q forecast announced this time. We have just finished January, so I cannot say anything too definitive on the operating profit, but that is the outlook we have. We are aiming to achieve the JPY55.0 billion OP forecast announced this time.

**Q:** Regarding inventory, looking at the absolute level, it still seems quite high. I'd like to hear your thoughts on this.

**A:** As you rightly pointed out, the absolute inventory volume remains high, and we can't deny that. However, when we track the numbers over time and compare them to one or two years ago, we do get the sense that the pace of growth has slowed considerably.

The inventory level as of the end of December is, in a way, the peak, and from here, we expect a gradual decline—particularly in Agrochemicals—as shipments in 4Q start to reduce inventory levels. So, from my perspective, we are increasingly gaining control over this situation. Going forward, we will continue our efforts to reduce inventory days relative to sales.

**Q:** So, to confirm, you don't see the inventory levels as being high enough to cause a significant deterioration in earnings next fiscal year?

**A:** Correct, that is how we view it.

**Q:** In the display materials, could you provide an update on market trends, specifically broken down by application?

**A:** I would like to explain the market trend of display materials, with a special focus on LCD. Regarding the market trends for display materials by application—first, on smartphone, As you know, the shift toward OLED is progressing, and LCD demand is generally on a decline. However, I would say that the decrease has not been as severe as we had initially expected at the beginning of the fiscal year. This is largely due to continued solid demand in emerging markets. Since 2Q, sales have remained relatively strong.

For IT-related applications, we see particularly strong growth in demand for notebook PC and monitor. 3Q was relatively strong, especially as it led into the year-end shopping season. 4Q will see a slight slowdown in line with normal seasonality, but from January to March 2025, the China's economic stimulus measures and other macroeconomic factors will be reflected, and as a result, I expect to achieve the 2H forecast. I think the situation is similar for television.

As for automobile, we have seen steady, continuous growth. Our impression is that the market has been expanding quarter by quarter.

**Q:** What are the trends in the semiconductor materials market?

**A:** Regarding semiconductor materials for front-end lithography, AI-driven demand has been fueling strong utilization rates for advanced nodes, and we expect this trend to continue through 4Q and into FY2025 as well.

On the back-end side, AI-related demand is also driving strong growth for high-bandwidth memory (HBM). Our 3D packaging process material (adhesive for temporary bonding) has been seeing solid growth throughout FY2024, and we expect this momentum to continue into FY2025 as well.

**Q:** Could you comment on market trends for inorganic materials as well?

**A:** In inorganic materials, SNOWTEX for polishing used in semiconductor applications is performing well, and Organo/Monomer Sol is also showing solid growth. As for Organo/Monomer Sol, we are seeing strong demand for 3D printer applications, and we expect this trend to continue moving forward.

## <Questioner 2>

**Q:** BRAVECTO® TriUNO has been approved in Europe and Latin America. Since it's for both internal and external parasites, I assume it could contribute to regaining market share. Could you elaborate on your expectations for BRAVECTO® TriUNO's launch?

**A:** Regarding BRAVECTO® TriUNO, we certainly have expectations for its approvals in Europe and Latin America, but we've heard that BRAVECTO® Quantum, an injectable solution for dogs, is performing well in Europe, and we have higher expectations for that product.

**Q:** Regarding Agrochemicals, three months ago, you indicated that inventory adjustments were needed for ROUNDUP and ALTAIR. Could you provide an update on how those adjustments are progressing?

**A:** For ROUNDUP, as we discussed previously, there is still a significant accumulation of inventory in the distribution channel. However, we are working to resolve this by the fiscal year-end, and inventory adjustments are being made accordingly.

Regarding ALTAIR, we have also implemented production adjustments, so we expect inventory levels to decrease in terms of volume over the course of this fiscal year.

**Q:** I believe you plan to launch VERDAD in 2H of the year. What's the latest on its launch schedule?

**A:** Regarding VERDAD, the registration process was delayed from the original plan, but it was completed in August last year, and sales are expected to start in the 4Q as planned against the forecast announced this time.

**Q:** Regarding your European sales strategy, I'd like to clarify something. A recent announcement mentioned that you have transferred your shares in Agrochemicals distribution subsidiaries in France and Spain to Sumitomo Chemical. Given that you sell products such as LEIMAY, TARGA, and PERMIT in Europe, will this transfer impact your sales in any way?

**A:** The impact of this transfer on business performance is expected to be minor as announced.

**<Questioner 3>**

**Q:** In semiconductor materials, you mentioned that ARC and EUV materials underperformed while multi layer process materials outperformed. Could you provide some details on how each of these trends played out? Also, were there any regional variations, any particular areas that performed better or worse? Also, what is your outlook for the January through March?

**A:** Regarding the underperformance of ARC and EUV materials, this was largely due to reduced utilization at a customer, which negatively impacted these two product categories. On the other hand, multi layer process materials outperformed expectations, driven by increased input of new devices at certain customers. We do not see the situation as bad in any of the regions. In the future, we expect revenue and profit to grow across all regions.

**Q:** About display materials, you mentioned that China's subsidies are having a positive effect, and based on what I've heard from other materials manufacturers, it seems that the impact is already becoming evident in TV applications. Are you seeing increased demand in other applications as well, or is the effect mostly limited to TV?

**A:** Regarding the impact of China's subsidy program, as you mentioned, the effect on TV has been particularly pronounced. What you've heard from other companies is in line with what we are seeing on our end as well. For IT applications, the impact is not as large as in TV, but we are seeing a similar trend. Since 3Q, some of our customers have been increasing their inventory, which in turn has driven higher shipment volumes for us.

**<Questioner 4>**

**Q:** Regarding the earnings forecast revision, I understand that you have reviewed the risk buffer that was incorporated in the previous announcement. Could you clarify which specific items were reassessed and in what manner? Was it a matter of quantity, pricing, or some other factor?

**A:** The risk buffer incorporated in the previous announcement was not calculated quantitatively. Rather, we considered several factors, such as foreign exchange trends and developments in the US political landscape with the new administration.

While there are still some uncertainties, we determined that, given our current business environment, we could justify an upward revision to our forecast. This decision factored in elements such as exchange rate movements and the latest conditions in Performance Materials—particularly semiconductor materials.

**Q:** So, rather than adjustments to specific products, it's more of an overall improvement in the business environment compared to your initial expectations—would that be a fair understanding?

**A:** Yes, you can understand it that way.

[END]