



Nissan Chemical Corporation

4Q FY2024 Financial Results Briefing and Medium-Term Business Plan Announcement

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May 15, 2025

Yagi: Hello, everyone. I am Yagi, the president. I will now explain our three-year Medium-Term Business Plan, Vista2027 Stage II, which started in April of this year.

Vista2027 Stage I(FY2022-24) Summary Profit and Loss and Management Indicators



		FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2024 YoY	FY2024 Previous MTP ¹ disclosed in May 2022
(¥billion)		①	②	③	④	⑤=④/③-1	⑥
Profitability	Sales	208.0	228.1	226.7	251.4	+11%	255.0
	Operating Profit	51.0	52.3	48.2	56.8	+18%	58.5
	Ordinary Income	53.7	55.8	51.6	58.0	+12%	59.5
	Net Income	38.8	41.1	38.0	43.0	+13%	44.0
	EBITDA ²	61.2	63.3	62.0	71.2		
	OP Margin	24.5%	22.9%	21.3%	22.6%		
	EPS (¥/share)	271.88	291.36	272.82	313.26		
Capital efficiency and financial soundness	ROE	19.2%	19.4%	17.1%	18.7%		
	Equity Ratio	73.6%	73.1%	70.3%	70.5%		
	Net D/E Ratio ³	-0.06	-0.01	0.09	0.06		
Shareholder returns	Dividend Payout Ratio	44.9%	56.3%	60.1%	55.5%		
	Total Payout Ratio	75.6%	78.0%	86.2%	82.0%		
FX Rate (¥/\$)		112	136	145	153		

Stage I
target

20% or more

18% or more

55% or more

75% or more

Achieved

1: MTP = Abbreviation of Medium-Term Business Plan (which applies to all subsequent pages)

2: EBITDA = Operating Profit + Depreciation and amortization 3: Net D/E Ratio = (Borrowings + Bonds + CP - Cash) / Shareholders' equity

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First, a summary of Stage I.

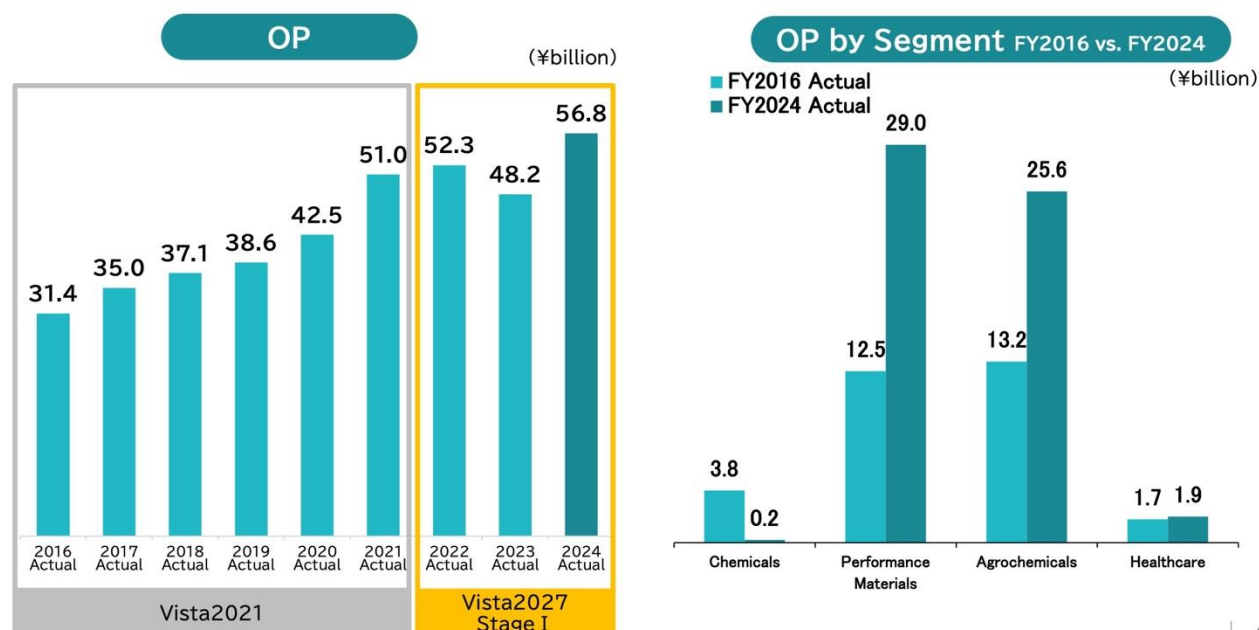
The results of Stage I for FY2024, the final year of the project, were JPY251.4 billion in sales, up 11% from the previous year, and JPY56.8 billion in operating profit, up 18% from the previous year. Operating profit, ordinary income, and net income all reached record highs.

We also achieved all our management indicator targets for OP margin, ROE, dividend payout ratio, and total payout ratio.

Vista2027 Stage I(FY2022-24) Summary Operating Profit



- OPs have consistently reached record highs every year, except for FY2023.
- The financial performance in Stage I was robustly driven by Performance Materials and Agrochemicals.



On the next slide, I will explain our focus on operating profit.

The graph on the left shows changes in operating profit, which has been the highest every year except for FY2023, when there was a rebound from the special demand for semiconductors by COVID-19.

The graph on the right shows the composition of operating profit in FY2016 and FY2024. In the nine years since FY2016, operating profit for Performance Materials increased 2.3 times and that for Agrochemicals increased 1.9 times, with Performance Materials and Agrochemicals driving performance.

Vista2027 Stage I(FY2022-24) Summary Investments for future growth



Strengthened product supply capability in growth sectors by proactive investments

■ Agrochemicals: Nissan Bharat Rasayan PVT. LTD.

Location	Saykha, Gujarat, India
Business	Manufacture and sales of active ingredients of agrochemicals
Commencement of sales operation	FY2022
Investment amount	¥6.0 billion (round number)



■ Semiconductor (semis) materials : NCK Co., Ltd.

Location	Daxin-si Songsan 2 Industrial Complex, Chungcheongnam-do, Korea
Business	Manufacture and sales of semis materials
Commencement of sales operation	FY2024
Investment amount	¥9.0 billion(round number)



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Let me continue with the results of Stage I.

During the three years of Stage I, we have implemented numerous measures. One of these is aggressive investment for growth. In India, we have built a new agrochemical API plant; and in Korea, we have built a new semiconductor materials plant, thereby strengthening our product supply system in areas where future growth is expected.

The various measures planned in Stage I are being steadily implemented, and we believe we have achieved many results.

		FY2024 Actual	FY2027 MTP ¹		FY2027 vs. FY2024	CAGR
		①	②		②-①	
Profitability	Sales	251.4	293.0		+41.6	5%
	Operating Profit	56.8	65.0		+8.2	5%
	Ordinary Income	58.0	65.5		+7.5	4%
	Net Income	43.0	48.0		+5.0	4%
	EBITDA ²	71.2	83.4		+12.2	5%
	OP Margin	22.6%	22.2%	FY2025-27 Target 20% or more	-	-
	EPS (¥/share)	313.26	366.28		53.02	5%
Capital efficiency and financial soundness	ROE	18.7%	18.5%	18% or more		
	Equity Ratio	70.5%	71.9%			
	Net D/E Ratio ³	0.06	0.05			
Shareholder returns	Dividend Payout Ratio	55.5%	55.0%	55% or more		
	Total Payout Ratio	82.0%	75.0%	75% or more		
FX Rate (¥/\$)		153	140			

1: The figures are calculated under a condition of no future strategic investments (M&A). This applies to all subsequent pages.

2: EBITDA = Operating Profit + Depreciation and amortization 3: Net D/E Ratio = (Borrowings + Bonds + CP - Cash) / Shareholders' equity

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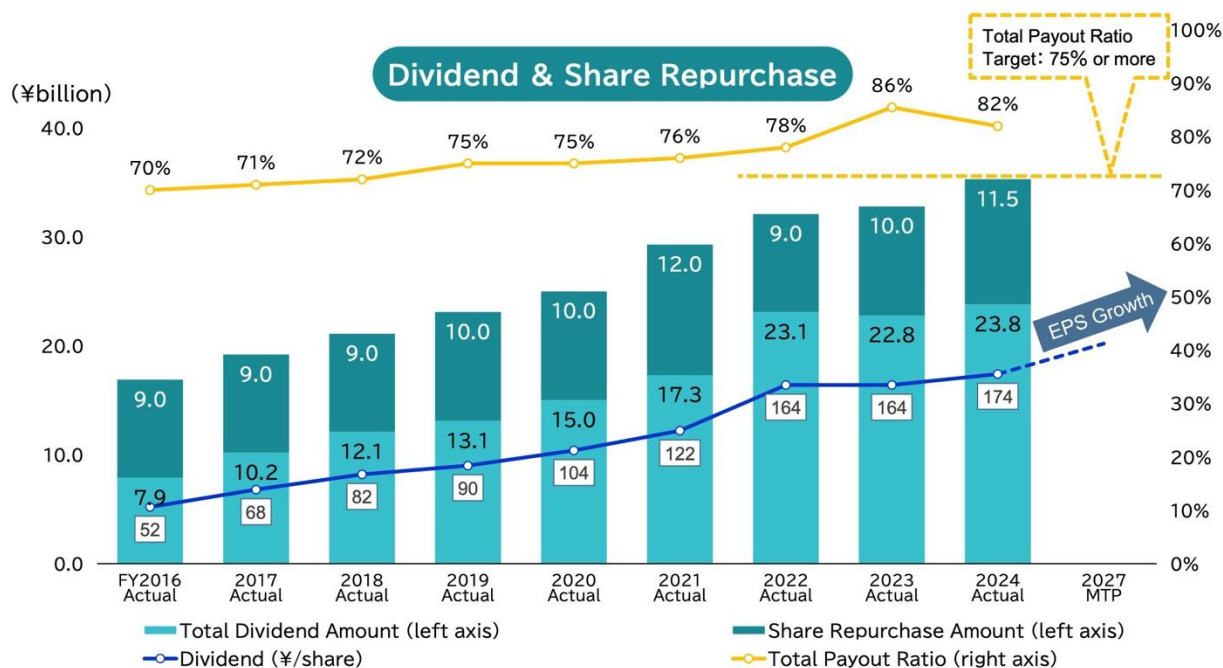
Next, let's talk about Vista2027 Stage II.

First, let me discuss profit and loss and management indicators. The FX rate assumption is set at JPY140 to the dollar. We plan sales of JPY293.0 billion and operating profit of JPY65.0 billion for FY2027, the final year of Stage II. Compared to FY2024 results, sales will increase JPY41.6 billion and operating profit will increase JPY8.2 billion. ROE is 18.5%, and other planned figures and indicators are as stated.

The targets for management indices remain unchanged from Stage I and are an OP margin at 20% or more and ROE at 18% or more. Shareholder returns are explained on the next slide.

Vista2027 Stage II(FY2025-27) Shareholder Returns

- 55% or more of Dividend Payout Ratio Target, 75% or more of Total Payout Ratio Target
- Proactive shareholder returns through stable and continuous dividends and flexible share repurchase

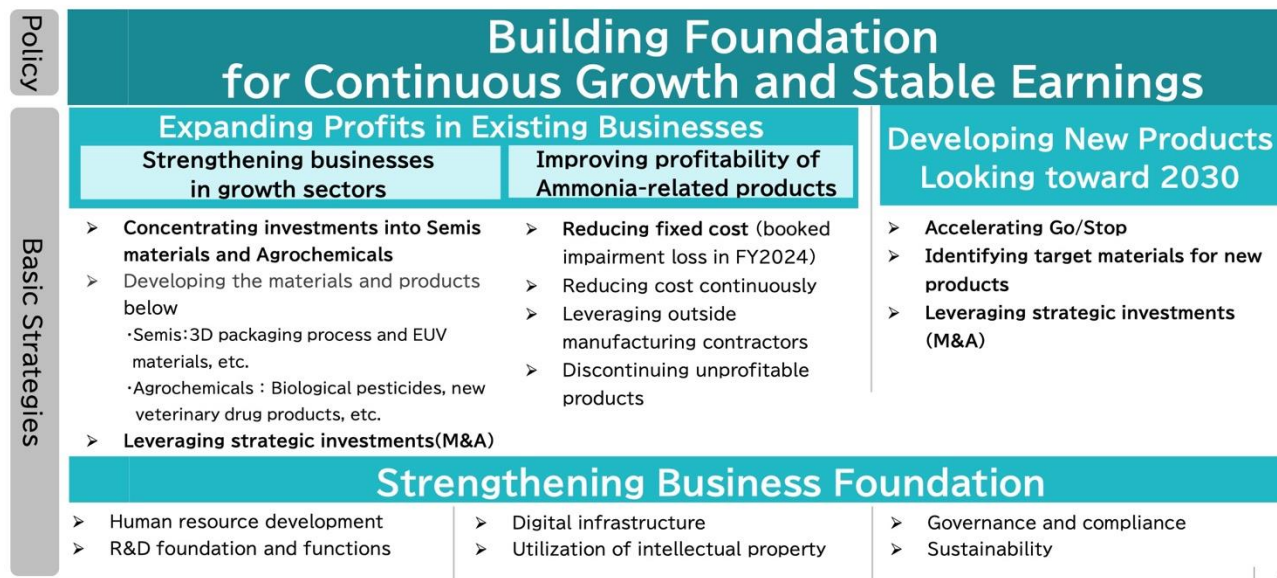


As with Stage I, we will continue to maintain a high level of shareholder returns, with a dividend payout ratio of 55% or more and a total payout ratio of 75% or more.

The blue broken line shows the dividend per share, which has been growing continuously in the past and will continue to increase in line with EPS growth. We will maintain stable and continuous dividend payments as a general rule and flexibly implement share repurchase.

Slogan for MTP

To be an Enterprise that Faces Challenges toward the Future through Value Co-creation



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I will now explain the policies and basic strategies in Stage II.

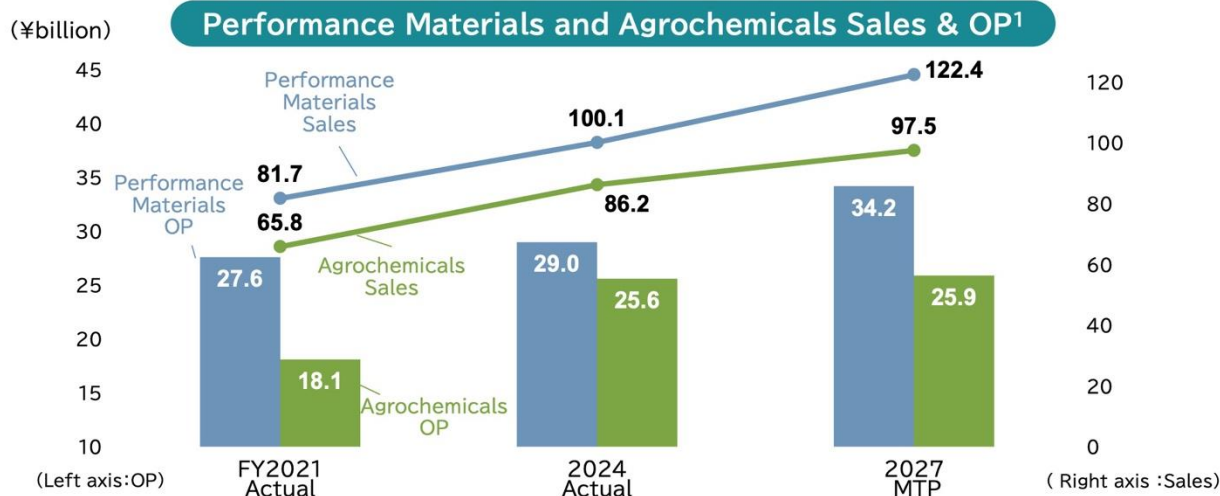
Under Vista2027, the common slogan for both Stage I and Stage II is "To be an Enterprise that Faces Challenges toward the Future through Value Co-creation."

We have established a new policy for Stage II: "Building Foundation for Continuous Growth and Stable Earnings." While ensuring solid short-term growth, we will steadily implement strategies for growth that look ahead to the future.

We have set three strategies: expanding profits in existing businesses, developing new products looking toward 2030, and strengthening business foundation. Each strategy is described on a separate slide.

Strengthening Businesses in Growth Sectors

- **Performance Materials:** Expanding sales by semis materials and concentrating on development of next-generation materials
- **Agrochemicals:** Expanding sales area in overseas markets and accelerating development of new pesticides, veterinary drug, and biological pesticides



Released on April 11, 2025 that long-term supply contract on “Fluralaner” was extended and co-research and co-development for new veterinary drugs was agreed with MAH².

1: OP by new allocation basis from FY2025. (Partial expenses in Planning & Development Div. and all the DX expenses are included in the Others segment, which were allocated to each segment)

2: MAH = MSD Animal Health, the global animal health business unit of Merck

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The first strategy, expanding profits in existing businesses, is to strengthen growth areas.

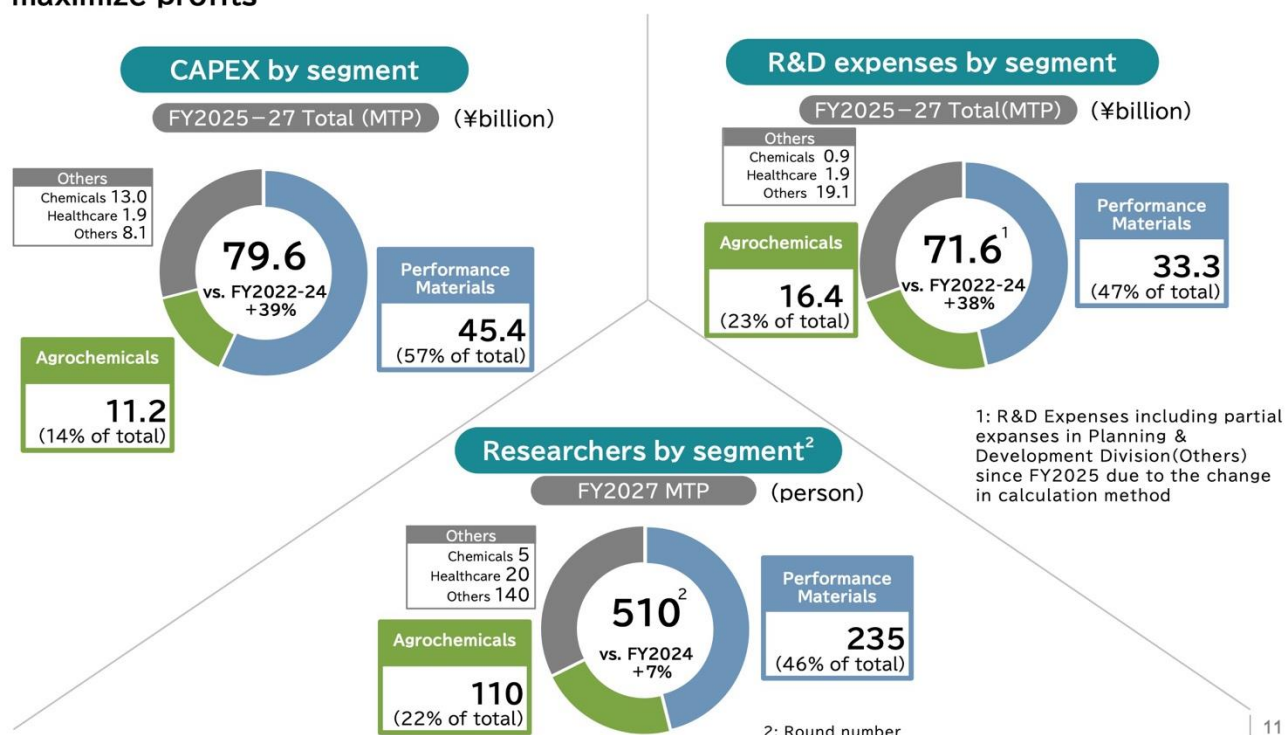
We have positioned Performance Materials and Agrochemicals as growth areas and intend to strengthen these two businesses. The graph shows the FY2027 plan and past performance for the two businesses.

In Stage II, we will expand sales of Performance Materials, mainly semiconductor materials, and focus on developing next-generation materials and acquiring adoption from customers to increase sales and profits. In Agrochemicals, we will increase sales by expanding our sales areas in overseas markets, accelerate development of new pesticides, veterinary drug, and biological pesticides, and maintain high profit levels.

Regarding veterinary drugs, as released on April 11 of this year, we have extended our long-term supply agreement with MAH for Fluralaner, and have also started joint research and development for the discovery of new veterinary drugs.

Strengthening Businesses in Growth Sectors

Concentrating investments into Performance Materials and Agrochemicals to maximize profits



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Next, as for measures to strengthen growth areas, we will concentrate investment of management resources in Performance Materials and Agrochemicals.

This is Capital Expenditures (CAPEX), R&D expenses, and researchers by segment. In all of them, we will allocate around 70% of our management resources to Performance Materials and Agrochemicals.

You will see large amount of R&D expenses and laboratory personnel in the Others segment. The majority of them are for the creation of new products and new businesses in the planning and development division.

Vista2027 Stage II(FY2025-27)
(Ref.) Capex/Depreciation/R&D/Researchers by Segment



	(¥billion)		(¥billion)		(¥billion)		(person)	
	Capex		Depreciation		R&D expenses ¹		Researchers ²	
	FY2022-24 Total (Actual) ⁴	FY2025-27 Total (MTP) ⁵	FY2022-24 Total (Actual)	FY2025-27 Total (MTP)	FY2022-24 Total (Actual)	FY2025-27 Total (MTP)	FY2024 Actual	FY2027 MTP
Chemicals	12.8	13.0	8.1	10.5	0.9	0.9	5	5
Performance Materials	22.7	45.4	17.2	24.4	24.1	33.3	200	235
Agrochemicals	15.1	11.2	9.1	10.9	13.1	16.4	105	110
Healthcare	1.5	1.9	1.2	1.7	1.4	1.9	15	20
Others ³	5.1	8.1	3.6	5.5	12.2	19.1	150	140
Total	57.2	79.6	39.2	53.0	51.7	71.6	475	510

Main CAPEX in FY2025-27(¥billion):

Performance Materials: Plant equipment for Semis Materials 14.8, R&D equipment for Semis Materials 8.4,
 Plant equipment for Inorganic Materials 2.6

Others: DX 2.2

1: R&D expenses including partial expenses in Planning & Development Division(Others) since FY2025 due to the change in calculation method

2: Round number of professional staff

3: Planning and Development Division, Trading, Others, Adjustment

4: Cash flows basis

5: Commencement of operation basis

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This page shows a comparison of capital expenditures by segment and other information with Stage I.

Please check it later.

Main Next-generation Materials/APIs/Drugs Sales¹

FY2027MTP				FY2030 Image			
		< ¥1 billion	≥ ¥1 billion	Total ⁴	< ¥1 billion	≥ ¥1 billion	≥ ¥3 billion
Chemicals	● Fine Chemicals	FINEOXOCOL (new grade)		0.6	FINEOXOCOL (new grade)		
		STARFINE			STARFINE		
Performance Materials	● Display	Hard coating materials		11.3	Hard coating materials		Next-generation EL materials
		Light control film materials			Light control film materials		
		Transparent polyimide			Transparent polyimide		
		Photo VA			Photo VA		
		Next-generation EL materials					
	● Semis		3D packaging process materials				3D packaging process materials
			EUV materials			EUV materials	
	● Inorganic	New Organo Sol			New Organo Sol		
		High refractive materials				High refractive materials	
	● Others	CIS ² related materials			CIS ² related materials		
Agro-chemicals		NC-520 (insecticide)	VERDAD	9.6		QUINTEC ³	VERDAD
		NC-656 (herbicide)	DITHANE ³			NC-520 (insecticide)	NC-656 (herbicide)
			QUINTEC ³				DITHANE ³
Health-care	● Custom Chemicals	New APIs	Eldecalcitol	2.4	New APIs	Eldecalcitol	
		Peptides				Peptides	
Total ¥23.9 billion							

1: Products launched in or after FY2019, including pre-commercial samples 2: CIS (CMOS Image Sensor)

3: Products acquired from other companies 4: Products other than those shown are included in the total figures.

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Next, I would like to discuss sales of next-generation materials/APIs/Drugs.

This does not include the planning and development division. Sales of these products were approximately JPY11.0 billion in FY2024, and we plan to more than double this to JPY23.9 billion in FY2027. We have also included a sales image for FY2030, and we will expand sales of next-generation EL materials in displays, 3D packaging process materials, and EUV materials in semiconductors; and VERDAD and NC-656, an herbicide currently under development, in Agrochemicals.

This is all for the explanation of the first strategy, expanding profits in existing businesses.

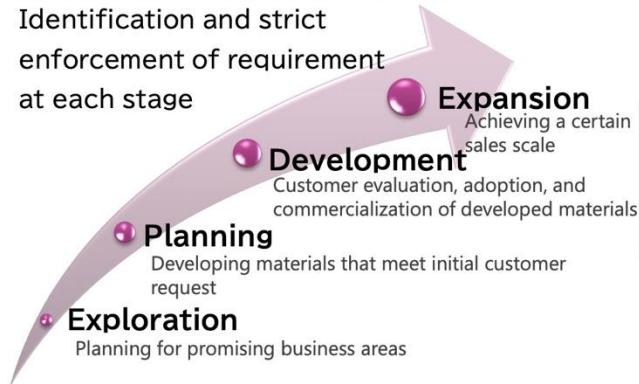
In the first strategy, in addition to strengthening growth areas, we will also work on improving the profitability of the Chemicals business, which will be explained later in the part by Matsuoka, Director, Managing Executive Officer, Head of Corporate Planning Department.

Developing New Products by Planning & Development Div.

Enhancing selection and concentration to develop new products through accelerating Go/Stop & target identification

Accelerating Go/Stop

Identification and strict enforcement of requirement at each stage



Identification of target materials

Organization change as of April 1, 2025

LIB Materials Business Development Group

Optical Interconnect Materials Development Group

Thermal Management Materials Development Group

Energy Materials Development Group

Innovative Business Planning Group

Not Changed

Research Management Dept.

Healthcare Business Development Dept.

Animal Care Planning Group

PSC¹ Materials Development Team

Hydrogen Energy Materials Development Team

Next Generation Battery Materials Development Team

Sales of new products²

FY2030 Image

	< ¥1 billion	≥ ¥1 billion	≥ ¥3 billion
Planning & Development Div.	Life Science	Information & Communications	Environment & Energy

1: PSC(Perovskite Solar Cells)

2: Products launched in or after FY2019, including pre-commercial samples

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Next, I will explain our second strategy, developing new products looking toward 2030.

New products that do not belong to existing businesses are handled by the planning and development division. In Stage II, we will accelerate selection and concentration by speeding up go/stop decisions in new product development and further clarifying targets.

Specifically, we will incorporate the opinions of outside experts at each stage of business exploration and expansion, while clarifying and tightening go/stop requirements more than before in order to allocate more resources to promising themes, accelerate development, and improve the probability of success.

In addition, to clarify targets, the organization of the planning and development division was reorganized as of April 1 of this year, and groups and teams were newly established for each development theme.

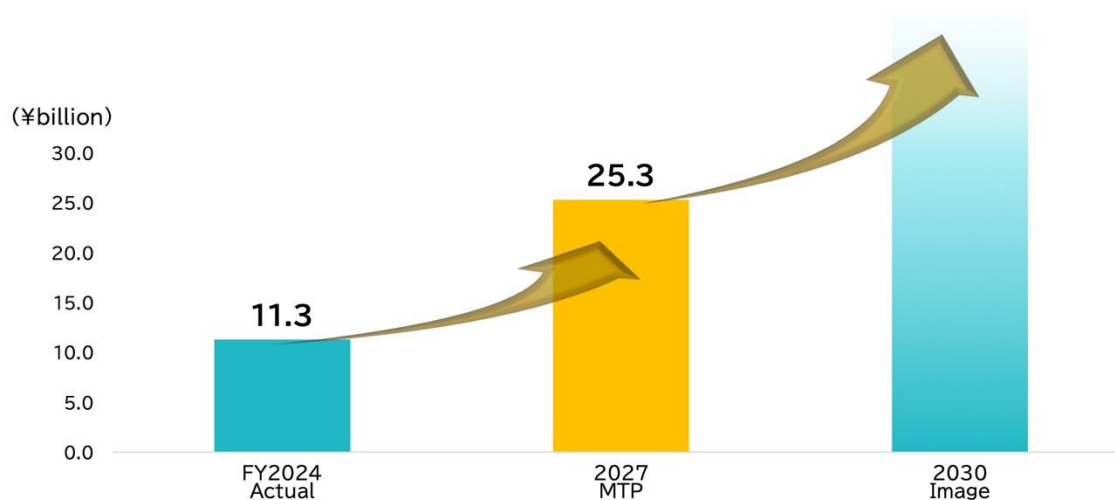
We have included an image of new product sales for the planning and development division for FY2030. We intend to aggressively make strategic investments, including M&A, to acquire new products and technologies and shorten the time required to develop new products, leading to growth beyond 2030.

The next three pages contain the main development products of the planning and development division, so please check back later.

Next-generation Materials/APIs/Drugs/, New Products Sales¹

Developing products for the next growth driver

Next-generation Materials/APIs/Drugs, New Products Sales



1: Products launched in or after FY2019, including pre-commercial samples.

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The graph shows the combined sales of next-generation materials/APIs/Drugs and new products of the planning and development division.

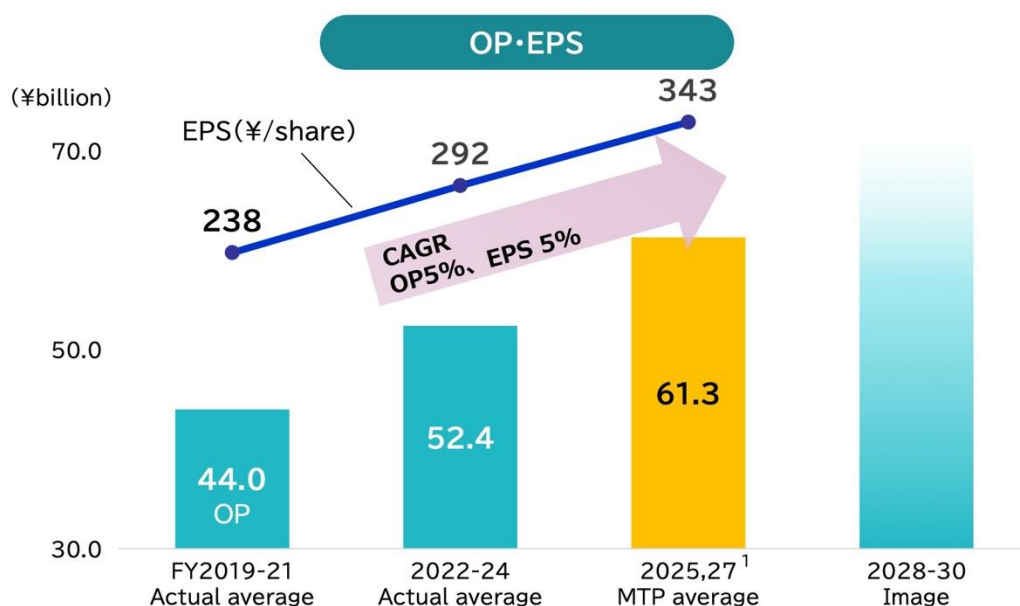
We will develop products that will be the next growth driver, not only during Stage II, but also in 2030 and beyond.

Vista2027 Stage II(FY2025-27) Growth after FY2027



Building foundation for continuous growth and stable earnings during Stage II

(FY2025,27 MTP average¹ CAGR(compared to FY2022-24 Actual average): OP 5%, EPS 5%)



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Back to overall growth. This graph shows the three-year average growth in operating profit and EPS.

CAGR of the previous three-year average during Stage II is planned to be 5% for both operating profit and EPS. Furthermore, through the development of new products with a view to FY2027 and beyond, we will achieve sustainable growth and stable earnings beyond that point.

Strengthening Business Foundation - Policies and Measures

Strengthening business foundation for the continuous growth

Governance, Compliance, & Sustainability

- Strengthening governance and compliance system
- Making the Responsible Care initiatives be followed thoroughly
- Strengthening the quality assurance system

Human Resource Development

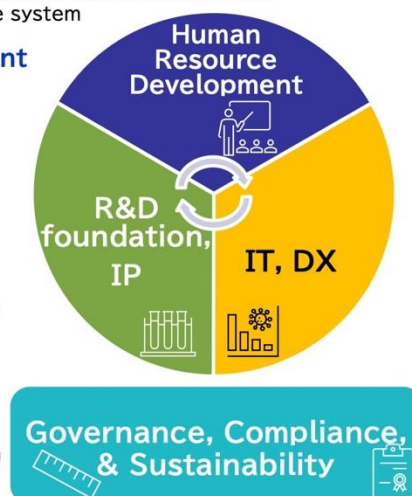
- Increasing the level and quality of candidates for future top management and managers
- Developing global and DX capable human resources, including data scientists
- Supporting career development and enhancing talent management

R&D foundation, IP

- Setting up second base for research on semiconductors
- Strengthening analytical infrastructure by utilization of cutting-edge technology
- Introducing Product Lifecycle Management system
- Supporting businesses by leveraging IP landscape analysis

IT·DX

- Enhancing digital infrastructure
- Implementing security tools
- Utilizing informatics for research of materials

Target of non-financial indicators in FY2027
Materiality**Nissan Chemical Sustainable Agenda**

Rate of total sales of products and services that contribute to solving social issues in consolidated net sales
60% or more
(Revised from "Maintain 55% or more")
(Maintained 55% or more in FY2024 Actual)

Human Resource Development

Positive response rate in survey of employee attitude
65% or more
(60% in FY2024 Actual)

Promoting Diversity

Proportion of female researchers
18% or more
(18.5% in FY2024 Actual)

GHG Emission Target

Reduced by
30% or more
compared to FY2018
(22% in FY2024 Provisional)

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Next, I would like to discuss the third strategy, strengthening business foundation.

The figure shows an overview of our business foundation. We consider governance, compliance, and sustainability, placed at the bottom of the figure, to be of utmost importance; and will work to strengthen these, as well as human resource development, R&D foundation, intellectual property, and IT/DX, placed in the circle graph, and to strengthen and utilize these.

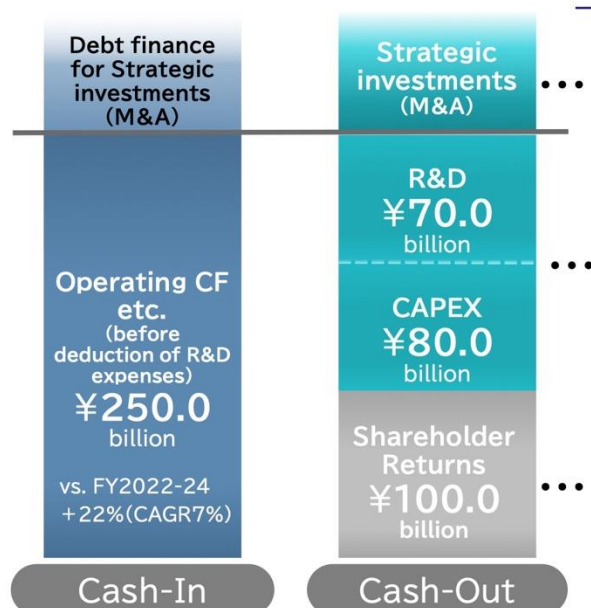
With regard to strengthening the business foundation, KPIs have been established for several items and are shown as targets in the frame on the right. The Nissan Chemical Sustainable Agenda, which is the ratio of products and services that contribute to solving social issues to consolidated sales, has been raised from 55% or more, which was set at the time of Stage I, to 60% or more. Other non-financial indicator targets remain unchanged from Stage I.

Vista2027 Stage II Capital Allocation Image



- Generating cash steadily
- Strategic capital allocation for continuous growth and enhancement of Corporate Value

FY2025–27 Total(Round number)



Allocation Strategies

- **Strategic investments (M&A):**
 - Debt finance
 - Maintaining a certain level of financial discipline (maintaining external ratings)
- **Concentrating investments towards continuous growth:**
 - Developing products for the next growth driver
 - Concentrating investments into Performance Materials and Agrochemicals to maximize profits
 - vs. FY2022-24 total: +37%(CAGR 11%)
- **Continuing proactive shareholder return:**
 - 75% or more of Total Payout Ratio

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This is Capital allocation.

Operating cash flow, et cetera, for the three years from FY2025 to FY2027 is planned to be approximately JPY250.0 billion. We will steadily generate cash flow and allocate approximately JPY100.0 billion of that cash for shareholder returns and JPY150.0 billion for R&D and capital expenditures, in an effort to increase corporate value.

Funding for strategic investments is not included in the JPY250.0 billion. The Company will raise funds through debt, if necessary, but will ensure that the level of external ratings is maintained.

This concludes my explanation.

The Group will continue to take on challenges with passion, mobilizing both internal and external forces to achieve the plans and goals of Stage II and to ensure sustainable growth and increased corporate value thereafter. We will continue to make concerted efforts to meet the expectations of our stakeholders.

Thank you for your continued support.

Matsuoka: My name is Matsuoka. I will now explain the policies and measures by segment for the basic strategy of expanding profits in existing businesses in Vista2027, medium-term business plan.

Vista2027 Stage II(FY2025-27)

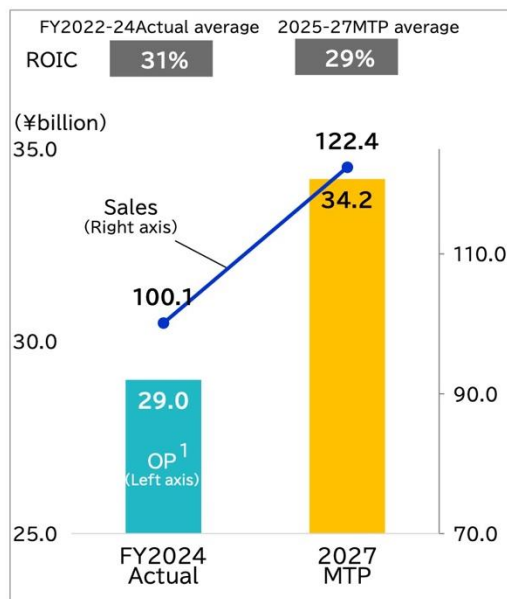
Performance Materials

Policies and Measures



- Maintaining/expanding market share of semis and inorganic materials
- Accelerating development of next-generation materials through concentrated investments

Profit and loss, ROIC



1: OP by new allocation basis from FY2025 (please refer to p10)

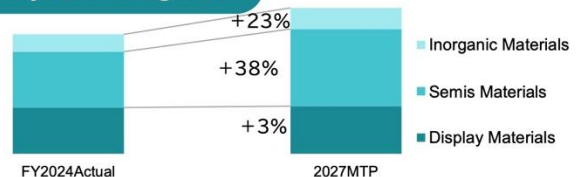
Policies and measures

- Maintaining/expanding market share of semis materials through concentrated investments of resources
- Maintaining market share of display materials and launching next-generation materials
- Expanding sales of SNOWTEX (especially polishing)
- Moving away from self-reliance by leveraging M&A etc.

Next-generation materials

- Developing 3D packaging process, EUV materials
- Developing next-generation EL materials
- Developing new Organo Sol

Sales by sub-segment



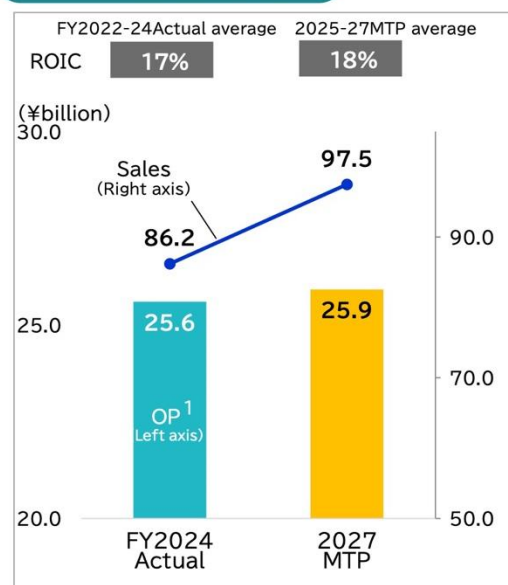
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In the Performance Materials segment, we plan to achieve sales of JPY122.4 billion and operating profit of JPY34.2 billion in FY2027, an increase of JPY22.3 billion in sales and an increase of JPY5.2 billion in operating profit from FY2024, respectively, by maintaining and expanding the sales share of existing products and introducing next-generation materials.

We will also concentrate investment of management resources and focus on the development of new semiconductor packaging materials, EUV materials, next-generation EL materials, and new Organo Sols.

- Maintaining No.1 domestic market share and expanding overseas sales
- Accelerating development of new pesticides, veterinary drugs, and biological pesticides through concentrated investments

Profit and loss, ROIC



1: OP by new allocation basis from FY2025 (please refer to p10)

Policies and measures

- Maintaining the domestic market share as No.1 and expanding sales through launching new pesticides
- Expanding sales area in overseas markets
- Supplying Fluralaner stably
- Leveraging M&A proactively

New APIs, New products

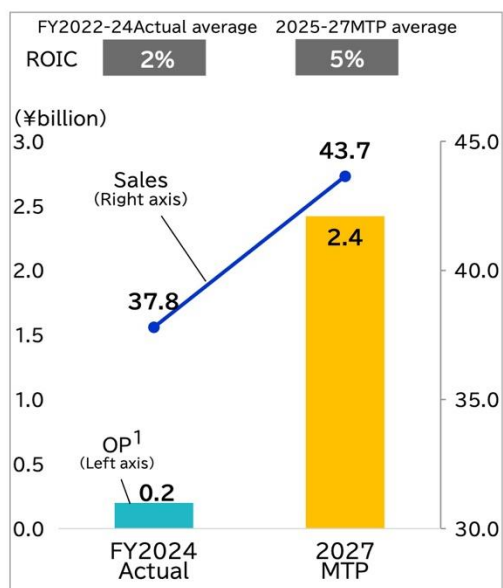
- Developing and launching new APIs (VERDAD, NC-656(herbicide), and NC-520(insecticide))
- Developing new veterinary drugs
- Developing biological pesticides and biostimulants
- Enhancing pipelines and accelerating to advance development phase

In the Agrochemicals segment, we are targeting sales of JPY97.5 billion and operating profit of JPY25.9 billion for FY2027 by maintaining the number one sales share in the domestic market through the introduction of new pesticides and expanding sales areas in overseas markets.

As with Performance Materials, we will concentrate investment of management resources to promote development of biological pesticides and agricultural materials in addition to new herbicides, insecticides, and veterinary drugs.

- Improving OP margin through improvement of the profitability of Ammonia-related products
- Expanding sales of high purity sulfuric acid for semis

Profit and loss, ROIC



1: OP by new allocation basis from FY2025 (please refer to p10)

Policies and measures

- Improving the profitability of Ammonia-related products (please refer to the next page)
- Expanding sales of high purity sulfuric acid in response to increasing demand for semis
- Revising sales prices in response to increased costs of raw materials, freight, etc.
- Reforming the structure to secure a stable profit (over 5% of the OP margin) in FY2027
- Expanding sales of FINEOXOCOL and STARFINE and establishing stable supply system of the products

Synergy with other businesses

- Operating Ammonia-related plants, which requires high skills and knowledges, contributes to the cultivation of our plant engineers and the differentiation of manufacturing processes across our entire group

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In the Chemicals segment, we are targeting sales of JPY43.7 billion and operating profit of JPY2.4 billion for FY2027, by improving profitability of ammonia-based products and increased sales of high purity sulfuric acid, as explained on the next slide.

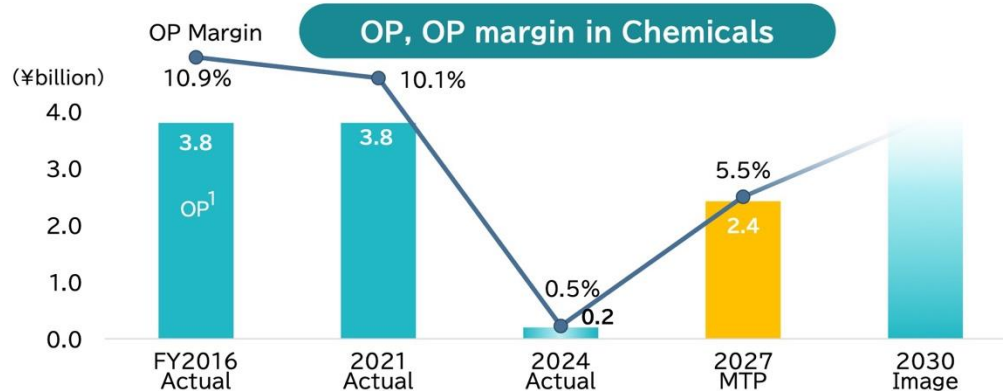
Since the operation of ammonia-based plants requires advanced production technology, it is an opportunity to develop production engineering personnel and contributes to the differentiation of the manufacturing process of our entire group. We will continue to hone our technological capabilities.

Reforming the structure to secure a stable profit (over 5% of the OP margin) in and after FY2027

Policies and measures

Cost reduction during FY2025 to FY2030 is projected to reach ¥4.0 to 5.0 billion, including an impairment loss of ¥2.8 billion booked in FY2024

- Continuing measures for fixed and flexible costs reduction
 - Downscaling the manufacturing capacity for TEPIC by half
 - Procuring multiple sources for raw materials
- Leveraging outside manufacturing contractors
- Discontinuing unprofitable products



1: OP by new allocation basis from FY2025 (please refer to p10)

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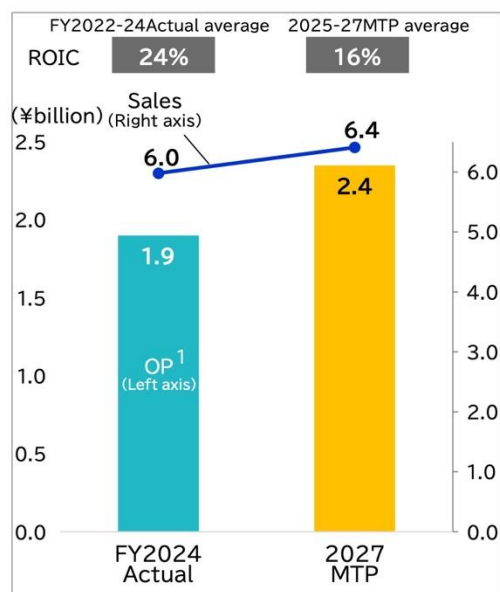
I will now explain about improving the profitability of ammonia-related products.

As for the OP margin, it was 0.5% in FY2024, but we plan to achieve 5.5% in FY2027 by reducing fixed and variable costs by JPY4.0 billion to JPY5.0 billion in the cumulative period from FY2025 to FY2030, including less depreciation by impairment losses recorded in FY2024.

Specifically, we will halve the production capacity of TEPIC manufacturing facilities, optimize capital investment by outsourcing manufacturing to outside companies, and discontinue sales of unprofitable products to establish a structure that will ensure stable profitability with an operating margin of 5% or higher from FY2027 onward.

- Expanding sales and development of generic APIs
- Accelerating development of a novel therapeutic agent for chronic pain and advancing its development phase

Profit and loss, ROIC



1: OP by new allocation basis from FY2025 (please refer to p10)

Policies and measures

- Maximizing profits of existing products
- Early monetization through concentrating resources on late-phase developing products and post-marketed products
- Reinforcing global sales initiatives for new customers

New APIs, New products

- Enhancing CDMO business through manufacturing capability for highly potent small molecules peptides
- Achieving development milestone of NIP-322, a novel therapeutic agent for chronic pain
- Advancing oligonucleotide drug discovery and expanding collaborative partnerships
- Supplying anti-adhesion coating materials stably and expanding application of them

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In the Healthcare segment, we are targeting sales of JPY6.4 billion and operating profit of JPY2.4 billion for FY2027 by increasing sales of generic APIs and achieving development milestones for novel therapeutic agent for chronic pain.

With respect to the development of new pesticides and new products, we will enhance CDMO business through manufacturing capability for highly potent small molecules peptides. We will also work to advance oligonucleotide drug discovery through joint drug discovery with external parties, and to ensure a stable supply and expand applications of prevelex, anti-adhesion coating materials.

Vista2027 Stage II(FY2025-27) Profit and Loss by Segment

		FY2024 Actual	FY2027 MTP ¹	FY2027 -FY2024	CAGR
(¥billion)		①	②	②-①	
Chemicals	Sales	37.8	43.7	+5.9	5%
	OP	0.2	2.4	+2.2	138%
Performance Materials	Sales	100.1	122.4	+22.3	7%
	OP	29.0	34.2	+5.2	6%
Agrochemicals	Sales	86.2	97.5	+11.3	4%
	OP	25.6	25.9	+0.3	1%
Healthcare	Sales	6.0	6.4	+0.4	2%
	OP	1.9	2.4	+0.5	8%
Others ²	Sales	21.3	23.0	+1.7	3%
	OP	0.1	0.1	0.0	-
Total	Sales	251.4	293.0	+41.6	5%
	OP	56.8	65.0	+8.2	5%

1: OP by new allocation basis from FY2025 (please refer to p10)

2: Planning & Development Division, Trading, Others, Adjustment


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This is the last slide. This shows sales and operating profit by segment.

In FY2027, Performance Materials and Agrochemicals together accounted for 75% of the JPY293.0 billion in sales, and also for about 90% of JPY65.0 billion in operating profit.

This is all for the explanation of policies and measures by segment for the basic policy of expanding profits in existing businesses.

Daimon: I will now explain the summary of financial results for FY2024 and the outlook for FY2025.

Full-Year FY2024 Financial Summary			
2H	vs. 2H FY2023	<ul style="list-style-type: none">■ Sales up ¥12.2 billion (+10%)■ OP up ¥4.4 billion (+18%)■ Net Income up ¥4.0 billion (+21%)	
Full-Year	vs. FY2023	<ul style="list-style-type: none">■ Sales up ¥24.7 billion (+11%)■ OP up ¥8.6 billion (+18%)■ Net Income up ¥5.0 billion (+13%)■ OP, Ordinary Income and Net Income set the highest results■ ROE Actual for FY2024 is 18.7% (+1.6pt)	
Full-Year	vs. Outlook as of Feb 2025	<ul style="list-style-type: none">■ Sales above target ¥3.8 billion■ OP above target ¥1.8 billion■ Net Income above target ¥2.1 billion	
Shareholder Returns		<ul style="list-style-type: none">■ Dividend ¥174 (¥10 up vs. FY2023)■ Completed a ¥11.5 billion share repurchase program (2.3 million shares)■ Total Payout Ratio 82.0%, Dividend Payout Ratio 55.5% (Medium-Term Plan Target: Total Payout Ratio 75%, Dividend Payout Ratio 55%)	

First, please turn to page four.

This is the summary of full-year financial results for FY2024. As you can see in the second box from the top, we achieved record-high operating profit, ordinary income, and net income in FY2024.

As for shareholder returns, as shown in the bottom box, the full-year dividend will be JPY174, an increase of JPY10 over the previous year. The Company has already completed JPY11.5 billion worth of share repurchases, with 2.3 million shares repurchased. As a result, the dividend payout ratio is 55.5% and the total payout ratio is 82.0%.

FY2024 Financial Summary YOY Change

(¥billion)

	FY2023 Actual					FY2024 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	105.7	49.6	71.4	121.0	226.7	118.2	56.6	76.6	133.2	251.4	+12.5 (+12%)	+7.0 (+14%)	+5.2 (+7%)	+12.2 (+10%)	+24.7 (+11%)
Operating Profit	24.1	9.3	14.8	24.1	48.2	28.3	12.8	15.7	28.5	56.8	+4.2 (+18%)	+3.5 (+36%)	+0.9 (+7%)	+4.4 (+18%)	+8.6 (+18%)
Non-Operating Income/Expenses	2.1	-0.5	1.8	1.3	3.4	-0.4	2.6	-1.0	1.6	1.2	-2.5	+3.1	-2.8	+0.3	-2.2
Foreign exchange Gains/Losses	1.9	-0.8	1.1	0.3	2.2	-0.8	1.8	-1.2	0.6	-0.2	-2.7	+2.6	-2.3	+0.3	-2.4
Ordinary Income	26.2	8.8	16.6	25.4	51.6	27.9	15.4	14.7	30.1	58.0	+1.7 (+7%)	+6.6 (+74%)	-1.9 (-11%)	+4.7 (+18%)	+6.4 (+12%)
Extraordinary Income/Losses	0.6	0.0	-0.4	-0.4	0.2	0.8	0.0	0.7	0.7	1.5	+0.2	0.0	+1.1	+1.1	+1.3
Net Income¹	19.5	6.5	12.0	18.5	38.0	20.5	11.2	11.3	22.5	43.0	+1.0 (+5%)	+4.7 (+73%)	-0.7 (-6%)	+4.0 (+21%)	+5.0 (+13%)
EBITDA²	30.0	12.9	19.1	32.0	62.0	34.5	16.7	20.0	36.7	71.2	+4.5	+3.8	+0.9	+4.7	+9.2
EPS (¥/share)	139.55	46.47	86.80	133.27	272.82	148.78	81.49	82.99	164.48	313.26	+9.23	+35.02	-3.81	+31.21	+40.44
Dividend (¥/share)	70	-	-	94	164	70	-	-	104	174	0	-	-	+10	+10
Dividend payout ratio	-	-	-	-	60.1%	-	-	-	-	55.5%	-	-	-	-	-4.6pt
Total amount of Dividend	9.8	-	-	13.0	22.8	9.6	-	-	14.2	23.8	-0.2	-	-	+1.2	+1.0
OP Margin	22.8%	18.8%	20.7%	19.9%	21.3%	24.0%	22.5%	20.6%	21.4%	22.6%	+1.2pt	+3.7pt	-0.1pt	+1.5pt	+1.3pt
ROE	-	-	-	-	17.1%	-	-	-	-	18.7%	-	-	-	-	+1.6pt
FX Rate (¥/\$)	141	148	149	148	145	153	152	153	152	153	-	-	-	-	-

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

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The next page, page five, I will only make one point here.

There are extraordinary income/losses of JPY1.5 billion for FY2024 at around the middle.

This figure is almost the same as the one presented in outlook, but there are a few things that need to be explained, which I will explain a little later.

FY2024 Financial Summary Compared to Outlook

(¥billion)

	FY2024 Outlook as of Feb 2025			FY2024 Actual			vs. Outlook
	1-3Q	4Q	Total	1-3Q	4Q	Total	4Q - Total
Sales	174.8	72.8	247.6	174.8	76.6	251.4	+3.8
Operating Profit	41.1	13.9	55.0	41.1	15.7	56.8	+1.8
Non-Operating Income/Expenses	2.2	-1.3	0.9	2.2	-1.0	1.2	+0.3
Foreign exchange Gains/Losses	1.0	-1.5	-0.5	1.0	-1.2	-0.2	+0.3
Ordinary Income	43.3	12.6	55.9	43.3	14.7	58.0	+2.1
Extraordinary Income/Losses	0.8	0.6	1.4	0.8	0.7	1.5	+0.1
Net Income ¹	31.7	9.2	40.9	31.7	11.3	43.0	+2.1
EBITDA ²	51.2	18.2	69.4	51.2	20.0	71.2	+1.8
EPS (¥/share)	230.27	66.98	297.25	230.27	82.99	313.26	+16.01
Dividend (¥/share)	70	-	164	70	-	174	+10
Dividend payout ratio	-	-	55.2%	-	-	55.5%	+0.3pt
Total amount of Dividend	9.6	-	22.5	9.6	-	23.8	+1.3
OP Margin	23.5%	19.1%	22.2%	23.5%	20.6%	22.6%	-
ROE	-	-	17.7%	-	-	18.7%	+1.0pt
FX Rate (¥/\$)	153	150	152	153	153	153	-

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

Page six shows the comparison to the outlook.

Analysis of Changes in OP

2H

FY2024 Actual		FY2023 Actual	YOY Change	Outlook as of Feb 2025	vs. Outlook
28.5billion		24.1billion	+4.4billion(+18%)	26.7billion	+1.8billion
Chemicals	YOY Change +0.5 billion	OP increase due to sales increase in environmental related products and Urea/AdBlue® etc.			
	vs. Outlook +0.1 billion	OP increase due to fixed cost etc. ¹ down despite sales decrease			
Performance Materials	YOY Change +3.2 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials			
	vs. Outlook +0.7 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials despite fixed cost etc. up			
Agrochemicals	YOY Change -0.4 billion	OP decrease due to fixed cost etc. up despite sales increase in PERMIT etc.			
	vs. Outlook -0.1 billion	OP decrease due to fixed cost etc. up despite sales flat			
Healthcare	YOY Change -0.4 billion	OP decrease due to fixed cost etc. up despite sales flat			
	vs. Outlook -0.4 billion	OP decrease due to sales decrease in Custom Chemicals			

Full-Year

FY2024 Actual		FY2023 Actual	YOY Change		
56.8billion		48.2billion	+8.6billion(+18%)		
Chemicals	YOY Change +0.2 billion	OP increase due to sales increase in environmental related products and high purity sulfuric acid etc.			
Performance Materials	YOY Change +6.5 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials			
Agrochemicals	YOY Change +2.2 billion	OP increase due to sales increase in LEIMAY, GRACIA and Fluralaner			
Healthcare	YOY Change -0.9 billion	OP decrease due to fixed cost etc. up and sales decrease in LIVALO			

2H

FY2024 Actual		FY2023 Actual	YOY Change	Outlook as of Feb 2025	vs. Outlook
28.5billion		24.1billion	+4.4billion(+18%)	26.7billion	+1.8billion
Chemicals	YOY Change +0.5 billion	OP increase due to sales increase in environmental related products and Urea/AdBlue® etc.			
	vs. Outlook +0.1 billion	OP increase due to fixed cost etc. ¹ down despite sales decrease			
Performance Materials	YOY Change +3.2 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials			
	vs. Outlook +0.7 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials despite fixed cost etc. up			
Agrochemicals	YOY Change -0.4 billion	OP decrease due to fixed cost etc. up despite sales increase in PERMIT etc.			
	vs. Outlook -0.1 billion	OP decrease due to fixed cost etc. up despite sales flat			
Healthcare	YOY Change -0.4 billion	OP decrease due to fixed cost etc. up despite sales flat			
	vs. Outlook -0.4 billion	OP decrease due to sales decrease in Custom Chemicals			

Full-Year

FY2024 Actual		FY2023 Actual	YOY Change		
56.8billion		48.2billion	+8.6billion(+18%)		
Chemicals	YOY Change +0.2 billion	OP increase due to sales increase in environmental related products and high purity sulfuric acid etc.			
Performance Materials	YOY Change +6.5 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials			
Agrochemicals	YOY Change +2.2 billion	OP increase due to sales increase in LEIMAY, GRACIA and Fluralaner			
Healthcare	YOY Change -0.9 billion	OP decrease due to fixed cost etc. up and sales decrease in LIVALO			

1. Fixed cost etc.: including inventory adjustment cost

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Next, page seven is the analysis of changes in operating profit by segment.

First, for 2H of FY2024, we have listed YoY and outlook figures for each of the four segments.

From the top, in the case of Chemicals, profit increased JPY0.5 billion YoY. This is an increase in income due to higher sales of environmental related products and Urea/AdBlue®, et cetera. This was slightly higher than the outlook by JPY0.1 billion.

In Performance Materials, operating profit increased by JPY3.2 billion YoY, due to increased sales in the display materials, semiconductor materials, and inorganic materials. Among them, semiconductor materials made the biggest contribution. The profit exceeded the outlook by JPY0.7 billion, due to an increase in sales of display materials, semiconductor materials, and inorganic materials, although fixed cost was higher than the outlook.

In Agrochemicals, 2H of the year showed a YoY decrease of JPY0.4 billion. Although there was an increase in sales, fixed costs increased, resulting in a slight decrease in profit. The profit was lower than the outlook by JPY0.1 billion due to fixed cost being slightly higher than outlook, which is the factor for the profit decrease.

Last, in Healthcare, profits declined by JPY0.4 billion YoY and by JPY0.4 billion compared to the outlook. The decrease in profit compared to the outlook is due to custom chemicals being lower than the outlook.

The bottom box shows full-year results with YoY comparison only. Performance Materials saw profit increase of JPY6.5 billion, thanks to the large contribution mainly from semiconductor materials.

The Agrochemicals segment also reported an increase of JPY2.2 billion in profit, due to the contribution of sales increase of LEIMAY, GRACIA, and Fluralaner.

On the other hand, the Healthcare business unfortunately saw a YoY decrease of JPY0.9 billion.

As I will explain later, in addition to the decrease in revenue from LIVALO, an increase in fixed costs was also a factor in the decrease in profit. Fixed costs include the effects of inventory adjustment.

Summary of FY2025 Outlook



FY2025 Full-Year Outlook ※The direct impact of U.S. tariffs is limited.

The indirect impact is not included due to the difficulty of reasonable assessment.

1H	vs. 1H FY2024	<ul style="list-style-type: none"> Sales up ¥3.7 billion (+3%) OP flat Net Income up ¥0.1 billion (0%) (Foreign exchange gains/losses (Non-Operating Income/Expenses) down ¥0.6 billion¹)
Full-Year	vs. FY2024	<ul style="list-style-type: none"> Sales up ¥10.8 billion (+4%) OP up ¥0.8 billion (+1%) Net Income up ¥0.1 billion (0%) (Foreign exchange gains/losses (Non-Operating Income/Expenses) down ¥1.2 billion¹) ROE Outlook 18.1%

1. See p12

Shareholders Return

- Total Payout Ratio Target 75%, Dividend Payout Ratio Target 55% based on Medium-Term Plan
- Completed a ¥1.5 billion share repurchase in April 2025
- Announced a ¥9.0 billion share repurchase in May 2025 (period: May 2025 - March 2026)

Dividend	¥176/share (1H ¥70/share, 2H ¥106/share), Dividend Payout Ratio 55.1% (¥2 up vs. FY2024)
Share Repurchase	¥10.5 billion ¥1.5billion (announced on March 6, 2025, repurchased in April 2025) ¥9.0billion (announced on May 15, 2025, period: May 2025 – March 2026) (FY2024 actual: ¥11.5 billion, 2.3 million shares)
Total Payout Ratio Target	79.1% (based on ¥176/share dividend and ¥10.5 billion share repurchase)

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Continued on page nine is the summary of the outlook for FY2025.

As noted at the beginning of this report, the direct impact of the US tariffs is expected to be limited in our opinion. On the other hand, indirect effects have not been factored in because it is difficult to make a reasonable assessment.

In particular, if you look at this second box for YoY comparison of the full year outlook, sales are expected to increase 4% to JPY10.8 billion, operating profit is expected to increase JPY0.8 billion, a 1% increase; and net income is expected to increase JPY0.1 billion.

As shown on the right, foreign exchange gains/losses in non-operating profit/losses are expected to decrease by JPY1.2 billion YoY. ROE outlook is 18.1%.

Regarding shareholder returns, in accordance with the goals of the medium-term business plan I explained earlier, we are targeting a total payout ratio of 75% and a dividend payout ratio of 55%, and we plan to acquire a total of JPY10.5 billion as share repurchase.

However, we have already acquired JPY1.5 billion in April, and we have announced that the remaining JPY9.0 billion will be acquired after this month and before the end of the fiscal year.

Regarding dividends, we would like to proceed with an increase of JPY2 to JPY176 for the current fiscal year. This translates to a dividend payout ratio of 55.1%.

As a result, the total payout ratio is 79.1%.

FY2025 Outlook Summary YOY Change

(¥billion)

	FY2024 Actual					FY2025 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	58.7	59.5	118.2	133.2	251.4	65.0	56.9	121.9	140.3	262.2	+6.3	-2.6	+3.7 (+3%)	+7.1 (+5%)	+10.8 (+4%)
Operating Profit	14.4	13.9	28.3	28.5	56.8	17.1	11.2	28.3	29.3	57.6	+2.7	-2.7	0.0 (0%)	+0.8 (+3%)	+0.8 (+1%)
Non-Operating Income/Expenses	1.6	-2.0	-0.4	1.6	1.2	-0.6	-0.6	-1.2	0.9	-0.3	-2.2	+1.4	-0.8	-0.7	-1.5
Foreign exchange Gains/Losses	1.3	-2.1	-0.8	0.6	-0.2	-1.4	0.0	-1.4	0.0	-1.4	-2.7	+2.1	-0.6	-0.6	-1.2
Ordinary Income	16.0	11.9	27.9	30.1	58.0	16.5	10.6	27.1	30.2	57.3	+0.5	-1.3	-0.8 (-3%)	+0.1 (+0%)	-0.7 (-1%)
Extraordinary Income/Losses	0.0	0.8	0.8	0.7	1.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	-0.8	-0.7	-1.5
Net Income¹	11.6	8.9	20.5	22.5	43.0	12.2	8.4	20.6	22.5	43.1	+0.6	-0.5	+0.1 (0%)	0.0 (0%)	+0.1 (+0%)
EBITDA²	18.0	16.5	34.5	36.7	71.2	-	-	35.3	38.0	73.3	-	-	+0.8	+1.3	+2.1
EPS (¥/share)	83.78	65.00	148.78	164.48	313.26	-	-	152.52	166.91	319.43	-	-	+3.74	+2.43	+6.17
Dividend (¥/share)	-	-	70	104	174	-	-	70	106	176	-	-	0	+2	+2
Dividend Payout Ratio (%)	-	-	-	-	55.5%	-	-	-	-	55.1%	-	-	-	-	-0.4pt
Total amount of Dividend	-	-	9.6	14.2	23.8	-	-	9.5	14.2	23.7	-	-	-0.1	0.0	-0.1
OP Margin	24.6%	23.4%	24.0%	21.4%	22.6%	26.3%	19.7%	23.2%	20.9%	22.0%	+1.7pt	-3.7pt	-0.8pt	-0.5pt	-0.6pt
ROE	-	-	-	-	18.7%	-	-	-	-	18.1%	-	-	-	-	-0.6pt
FX Rate (¥/\$)	156	150	153	152	153	145	145	145	145	145	-	-	-	-	-

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

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Specific numbers are shown on page 10.

This is YoY comparison. From the top, sales are expected to be JPY262.2 billion; operating profit is expected to be JPY57.6 billion; and foreign exchange losses is expected to be JPY1.4 billion, as I explained earlier.

Ordinary income is projected to be JPY57.3 billion, net income JPY43.1 billion, OP margin 22.0%, ROE 18.1%, and the exchange rate is assumed to be JPY145 to the dollar this fiscal year, as shown in the last line.

Analysis of Changes in OP

				(¥)
		FY2025 Outlook	FY2024 Actual	YOY Change
		28.3 billion	28.3 billion	0 billion(0%)
1H	Chemicals	YOY Change +0.6 billion	OP increase due to sales increase in Urea/AdBlue® and high purity sulfuric acid	
	Performance Materials	YOY Change +1.9 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials	
	Agrochemicals	YOY Change -2.5 billion	OP decrease due to fixed cost etc. up (amortization down ¥1.1 billion in FY2024 as a temporary factor and inventory adjustment)	
	Healthcare	YOY Change -0.8 billion	OP decrease due to sales decrease in Custom Chemicals	
		FY2025 Outlook	FY2024 Actual	YOY Change
		57.6 billion	56.8 billion	+0.8 billion(+1%)
Full-Year	Chemicals	YOY Change +1.0 billion	OP increase due to sales increase in high purity sulfuric acid and Urea/AdBlue®	
	Performance Materials	YOY Change +1.9 billion	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials	
	Agrochemicals	YOY Change -0.3 billion	OP decrease due to fixed cost etc. up (amortization down ¥1.1 billion in FY2024 as a temporary factor and inventory adjustment) despite sales increase in Fluralaner, GRACIA and ROUNDUP	
	Healthcare	YOY Change -0.5 billion	OP decrease due to sales decrease in Custom Chemicals	

| 11

Next, please see page 11.

This shows an analysis of changes in operating profit by segment.

I will not cover 1H here, but for the full year the overall increase is expected to be JPY0.8 billion. First, the Chemicals segment is expected to increase profit by JPY1.0 billion YoY, with higher sales of high purity sulfuric acid and Urea/AdBlue®.

The Performance Materials segment is expected to see an increase of JPY1.9 billion in profit due to higher sales of display materials, semiconductor materials, and inorganic materials; with semiconductor materials continuing to make a particularly strong contribution to profit.

On the other hand, Agrochemicals are expected to see a decrease of JPY0.3 billion in profit. Although sales are expected to increase, fixed cost will also increase. As explained last time, there was a decrease of JPY1.1 billion in amortization expense in FY2024 as a one-time factor. There will not be such expense in FY2025, therefore fixed cost will increase as a rebound. In addition, there will be a certain amount of impact from inventory adjustment, which will result in a decrease in profit.

Last, in the Healthcare segment, profit is expected to decrease JPY0.5 billion YoY due to a decline in sales of custom chemicals.

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

(¥billion)

	FY2023 Actual			FY2024 Actual			YOY Change			FY2024 Outlook ³	FY2025 Outlook		
	1H	2H	Total	1H	2H	Total	1H	2H	Total		1H	2H	Total
Interest income, dividend income	0.44	1.28	1.72	0.59	1.35	1.94	+0.15	+0.07	+0.22	-	0.75	1.16	1.91
Equity in earnings of affiliates	0.40	0.14	0.54	0.14	0.92	1.06	-0.26	+0.78	+0.52	-	0.37	0.73	1.10
Foreign exchange gains/losses ¹	1.88	0.33	2.21	-0.83	0.68	-0.15	-2.71	+0.35	-2.36	-0.50	-1.40	0.00	-1.40
Interest expense	-0.26	-0.27	-0.53	-0.35	-0.30	-0.65	-0.09	-0.03	-0.12	-	-0.32	-0.29	-0.61
Loss on disposal of non-current assets, others	-0.36	-0.15	-0.51	0.05	-1.06	-1.01	+0.41	-0.91	-0.50	-	-0.57	-0.76	-1.33
Non-Operating Income/Expenses	2.10	1.33	3.43	-0.40	1.59	1.19	-2.50	+0.26	-2.24	0.90	-1.17	+0.84	-0.33
Extraordinary Income	0.60	0.73	1.33	0.82	4.51	5.33	+0.22	+3.78	+4.00	-	0.0	0.0	0.0
Extraordinary Losses	0.00	-1.18	-1.18	0.00	-3.88	-3.88	0.00	-2.70	-2.70	-	0.0	0.0	0.0
Extraordinary Income/Losses²⁻⁴	0.60	-0.45	0.15	0.82	0.63	1.45	+0.22	+1.08	+1.30	1.40	0.0	0.0	0.0

1. FX Rate (¥/\$): 2023/3 133.54, 2023/9 149.58, 2024/3 151.40, 2024/9 142.82, 2025/3 149.53

2. FY2023 Actual:

Extraordinary Income ¥1.33 billion (Gain on sales of investment securities ¥1.33 billion)

Extraordinary Losses ¥1.18 billion (Impairment loss ¥0.82 billion, impairment loss of unlisted stock ¥0.35 billion)

3. FY2024 Outlook as of Feb 2025

4. FY2024 Actual:

Extraordinary Income ¥5.33 billion (Gain on receipt of donated beneficial interests in trust ¥3.26 billion, Gain on sales of investment securities ¥1.25 billion, Gain on receipt of contingent consideration ¥0.82 billion)

Extraordinary Losses ¥3.88 billion (Impairment loss ¥3.88 billion)

| 12

Next, please see page 12.

The top row shows non-operating profit/loss, and full-year outlook are shown in the rightmost column. From the third line from the top shows the expected decrease of JPY1.4 billion in foreign exchange profit/loss.

Also, please see an extraordinary gain or loss, which I mentioned a little bit earlier. Looking at the results for FY2024, the net extraordinary income of JPY1.45 billion in the final line was almost in line with the outlook, but there was extraordinary income of JPY5.33 billion. On the other hand, extraordinary losses amounted to JPY3.88 billion.

The specifics are detailed in number four at the bottom. Of the JPY5.33 billion in extraordinary income, JPY3.26 billion is a receipt of donated beneficial interests in trust, but due to confidentiality obligations, I cannot provide details.

As Matsuoka commented earlier, the Chemicals division posted an extraordinary loss of about JPY2.8 billion out of JPY3.88 billion, which is an impairment loss, particularly in fine chemicals.

Cash Flows

Free cash flow in FY2024 was ¥41.6 billion, an increase of ¥26.6 billion from FY2023

(¥billion)

	FY2023 Actual	FY2024 Actual	YOY Change	FY2024 Outlook as of Feb 2025	FY2025 Outlook
CF from operating activities	33.7	59.2	25.5	53.5	55.2
Income before income taxes & non-controlling interests	51.8	59.5	7.7	54.6	57.3
Extraordinary losses (income)	-0.2	-1.5	-1.3	-1.4	0.0
Depreciation & amortization ¹	13.8	14.4	0.6	14.4	15.7
Income taxes paid	-15.9	-12.6	3.3	-12.0	-16.7
Working capital, others	-15.8	-0.6	15.2	-2.1	-1.1
CF from investing activities	-18.7	-17.6	1.1	-19.0	-21.3
Purchase of PPE ²	-20.2	-17.6	2.6	-19.1	-21.5
Purchase and sales of investment securities	1.6	-0.2	-1.8	1.0	-0.2
Others	-0.1	0.2	0.3	-0.9	0.4
Free cash flow	15.0	41.6	26.6	34.5	33.9
CF from financing activities	-22.1	-35.7	-13.6	-32.7	-31.7
Payout to shareholders (dividend)	-23.0	-22.7	0.3	-22.7	-34.1
Payout to shareholders (share repurchase)	-10.0	-11.5	-1.5	-10.0	
Liabilities with interest	10.9	-1.5	-12.4	0.0	2.4
Others	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate change on cash & cash equivalents	0.2	-1.1	-1.3	0.0	0.0
Change in cash & cash equivalents	-6.9	4.8	11.7	1.8	2.2
Increase in cash and cash equivalents resulting from change in scope of consolidation	22.7	27.5	4.8	24.5	29.7

1. Including amortization of goodwill 2. Including intangible assets

| 13

Page 13 shows the cash flow.

The second column from the left in the table shows the results for FY2024. As shown in the middle column, free cash flow was JPY41.6 billion, an increase of JPY26.6 billion YoY, indicating a significant improvement.

On the other hand, the rightmost column of the FY2025 outlook shows free cash flow of JPY33.9 billion, and we believe that this figure will remain high, although it has decreased slightly.

As for the balance of cash and deposits, we plan to maintain a little less than JPY30 billion in cash and deposits, as shown in the last line.

Balance Sheets

(¥billion)

	2024/3	2025/3	vs. 2024/3
Current assets	202.0	210.4	+8.4
Cash	22.7	27.5	+4.8
Accounts receivable	88.8	89.1	+0.3
Inventories	78.2	80.1	+1.9
Others	12.3	13.7	+1.4
Fixed assets	121.5	120.4	-1.1
Total PPE	77.4	72.4	-5.0
Intangible assets	10.7	13.5	+2.8
Investment securities	26.1	24.4	-1.7
Others	7.3	10.1	+2.8
Total assets	323.5	330.8	+7.3

	2024/3	2025/3	vs. 2024/3
Liabilities	92.6	94.6	+2.0
Accounts payable	20.4	19.9	-0.5
Borrowings, Bonds & CP	41.0	40.5	-0.5
Others	31.2	34.2	+3.0
Net assets	230.9	236.2	+5.3
Shareholders' equity ¹	213.9	222.9	+9.0
Valuation difference on available-for-sale securities	8.3	7.0	-1.3
Foreign currency translation adjustment	4.2	1.8	-2.4
Non-controlling interests	3.4	2.9	-0.5
Remeasurements of defined benefit plans	1.1	1.6	+0.5
Total liabilities & net assets	323.5	330.8	+7.3
Equity Ratio	70.3%	70.5%	
Net D/E Ratio ²	0.09	0.06	

Breakdown of Investment Securities

	2024/3	2025/3	vs. 2024/3	Reference 2018/3
Listed shares ³ (Number of stocks held, Non-consolidated basis)	17.1 (24)	15.6 (24)	-1.5 (0)	30.0 (55)
Unlisted shares	2.3	2.2	-0.1	1.7
Subsidiaries/Associate shares	6.7	6.5	-0.2	6.8
Total	26.1	24.3	-1.8	38.5
Strategic shareholdings on net assets ⁴	7.7%	6.9%		17.0%

1. Change in shareholders' equity +9.0 = Net Income 43.0 - Dividend and others 34.0

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

3. 2024/3 17.1 + Acquisition 0.0 - Sales and valuation difference 1.5 = 2025/3 15.6

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

14

Page 14 is the balance sheet.

The upper left hand table shows assets, and as of the end of March 2025, total assets increased by over JPY7.3 billion compared to the end of March 2024, of which cash and deposits accounted for just under JPY5 billion.

Inventories, the third line from the top, increased slightly by JPY1.9 billion this time, but on a days held basis, inventories decreased this time. In particular, with regard to pesticides, inventories have slightly decreased since the end of March 2024, and we believe this is the result of gradually tightening controls.

There is no significant change in the debt side, interest-bearing debt, et cetera, on the right. The equity ratio is 70.5%.

At left bottom is the breakdown of investment securities. As you can see on the last line of the table, the ratio of strategic shareholdings to net assets was 6.9% at the end of March, which is less than 7%.

Capex, Depreciation, R&D expenses by Segment

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

R&D expenses increased in Performance Materials, especially Semis Materials, and Agrochemicals.

(¥billion)

	Capex ¹					Depreciation ²					R&D expenses ⁷				
	2021	2022	2023	2024	2025E	2021	2022	2023	2024	2025E	2021	2022	2023	2024	2025E
Chemicals ³	4.3	2.8	4.6	5.4	5.5	2.5	2.5	2.7	2.9	3.1	0.3	0.3	0.3	0.3	0.3
Performance M. ⁴	5.4	9.0	9.1	4.6	8.8	3.9	4.6	6.0	6.6	6.6	7.0	7.6	8.2	8.3	10.1
NCK ⁴	1.3	5.0	5.7	0.5	0.4	0.5	0.7	2.3	3.1	1.9	0.5	0.5	0.8	0.7	0.6
Agrochemicals ⁵	1.7	5.9	5.1	4.1	2.4	2.7	2.8	3.4	2.9	3.9	4.2	4.3	4.3	4.5	5.0
Healthcare ⁶	0.7	0.5	0.5	0.5	0.7	0.4	0.4	0.4	0.4	0.5	0.6	0.4	0.4	0.6	0.7
Trading	0.0	0.1	0.0	0.3	0.4	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Others ^{6,7}	0.3	1.1	0.9	2.7	3.7	0.6	0.7	1.2	1.5	2.0	3.9	4.2	4.1	3.9	6.3
Total⁷	12.4	19.4	20.2	17.6	21.5	10.2	11.0	13.8	14.4	16.2	16.0	16.8	17.3	17.6	22.4

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 FY2024: including production facilities at Toyama plant (¥1.0 billion), FY2025E: 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),

FY2025E: including Semis research facilities and equipment (¥3.2 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),

FY2024: including production facilities at Onoda plant (¥1.8 billion), a temporary factor (decrease in amortization expense of ¥1.1 billion)

6. Organizational changes were implemented in April 2022. Included in Healthcare in FY2021 and Others since FY2022

7. R&D expenses: including partial expenses in Planning & Development Division(Others) since FY2025 due to the change in calculation method

| 15

Continuing on page 15, we show—by segment—capital expenditures, depreciation, and R&D expenses for the past four years and the outlook for the current fiscal year.

There is a note for each asterisk. For example, in the case of semiconductor materials, the third line under Performance Materials, NCK, shows a depreciation of JPY1.9 billion for FY2025 as a result of decrease with peaking in FY2024.

As a result, the depreciation for Performance Materials is expected to remain almost unchanged at JPY6.6 billion, with that for semiconductors materials also being flat.

As for research and development expenses, the total amount on the right column shows JPY22.4 billion, a large increase from FY2024.

There is a slight change in aggregation methodology. As you can see the note below in number seven, some expenses of the planning and development division is included in R&D expenses starting this year in 2025, and the impact of this change, which is slightly more than JPY1.6 billion, is included in this JPY22.4 billion.

FY2024 Financial Results YOY Change by Segment

(¥billion)

		FY2023 Actual					FY2024 Actual					YOY Change				
		1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Chemicals	Sales	17.9	9.6	8.1	17.7	35.6	17.9	10.2	9.7	19.9	37.8	0.0	+0.6	+1.6	+2.2	+2.2 (+6%)
	OP	-0.1	0.4	-0.3	0.1	0.0	-0.4	0.5	0.1	0.6	0.2	-0.3	+0.1	+0.4	+0.5	+0.2 (+270%)
Performance Materials	Sales	40.5	21.4	22.7	44.1	84.6	48.6	25.6	25.9	51.5	100.1	+8.1	+4.2	+3.2	+7.4	+15.5 (+18%)
	OP	11.1	6.3	5.1	11.4	22.5	14.4	7.9	6.7	14.6	29.0	+3.3	+1.6	+1.6	+3.2	+6.5 (+29%)
Agrochemicals	Sales	35.3	13.2	33.6	46.8	82.1	39.2	14.6	32.4	47.0	86.2	+3.9	+1.4	-1.2	+0.2	+4.1 (+5%)
	OP	11.6	2.9	8.9	11.8	23.4	14.2	3.7	7.7	11.4	25.6	+2.6	+0.8	-1.2	-0.4	+2.2 (+9%)
Healthcare	Sales	3.5	1.3	1.5	2.8	6.3	3.3	1.1	1.6	2.7	6.0	-0.2	-0.2	+0.1	-0.1	-0.3 (-5%)
	OP	1.8	0.5	0.5	1.0	2.8	1.3	0.3	0.3	0.6	1.9	-0.5	-0.2	-0.2	-0.4	-0.9 (-33%)
Trading, Others, Adjustment	Sales	8.5	4.1	5.5	9.6	18.1	9.2	5.1	7.0	12.1	21.3	+0.7	+1.0	+1.5	+2.5	+3.2
	OP	-0.3	-0.8	0.6	-0.2	-0.5	-1.2	0.4	0.9	1.3	0.1	-0.9	+1.2	+0.3	+1.5	+0.6
Total	Sales	105.7	49.6	71.4	121.0	226.7	118.2	56.6	76.6	133.2	251.4	+12.5	+7.0	+5.2	+12.2	+24.7 (+11%)
	OP	24.1	9.3	14.8	24.1	48.2	28.3	12.8	15.7	28.5	56.8	+4.2	+3.5	+0.9	+4.4	+8.6 (+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 Nippon Polytech (added as consolidated subsidiaries from FY2024), Nihon Hiryo, Adjustment: Planning & Development Division and others (see p63, p64 for breakdown)

| 17

Moving onto the specific figures. On page 17 is a YoY comparison of FY2024 results by segment.

FY2024 Financial Results Compared to Outlook by Segment

(¥billion)

		FY2024 Outlook as of Feb 2025					FY2024 Actual					vs. Outlook
		1H Actual	3Q Actual	4Q	2H	Total	1H	3Q	4Q	2H	Total	4Q-Total
Chemicals	Sales	17.9	10.2	10.4	20.6	38.5	17.9	10.2	9.7	19.9	37.8	-0.7
	OP	-0.4	0.5	0.0	0.5	0.1	-0.4	0.5	0.1	0.6	0.2	+0.1
Performance Materials	Sales	48.6	25.6	23.2	48.8	97.4	48.6	25.6	25.9	51.5	100.1	+2.7
	OP	14.4	7.9	6.0	13.9	28.3	14.4	7.9	6.7	14.6	29.0	+0.7
Agrochemicals	Sales	39.2	14.6	32.5	47.1	86.3	39.2	14.6	32.4	47.0	86.2	-0.1
	OP	14.2	3.7	7.8	11.5	25.7	14.2	3.7	7.7	11.4	25.6	-0.1
Healthcare	Sales	3.3	1.1	1.8	2.9	6.2	3.3	1.1	1.6	2.7	6.0	-0.2
	OP	1.3	0.3	0.7	1.0	2.3	1.3	0.3	0.3	0.6	1.9	-0.4
Trading, Others, Adjustment	Sales	9.2	5.1	4.9	10.0	19.2	9.2	5.1	7.0	12.1	21.3	+2.1
	OP	-1.2	0.4	-0.6	-0.2	-1.4	-1.2	0.4	0.9	1.3	0.1	+1.5
Total	Sales	118.2	56.6	72.8	129.4	247.6	118.2	56.6	76.6	133.2	251.4	+3.8
	OP	28.3	12.8	13.9	26.7	55.0	28.3	12.8	15.7	28.5	56.8	+1.8

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay,

NC Agro Hakodate-Nippon Polytech (added as consolidated subsidiaries from FY2024), Nihon Hiryo, Adjustment: Planning & Development Division and others (see p63, p64 for breakdown)

On page 18, you will see the comparison to the outlook announced in February for FY2024 results.

FY2025 Financial Outlook YOY Change by Segment

(¥billion)

		FY2024 Actual					FY2025 Outlook					YOY Change				
		1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chemicals	Sales	8.9	9.0	17.9	19.9	37.8	9.4	9.7	19.1	21.0	40.1	+0.5	+0.7	+1.2	+1.1	+2.3 (+6%)
	OP	0.7	-1.1	-0.4	0.6	0.2	0.8	-0.6	0.2	1.0	1.2	+0.1	+0.5	+0.6	+0.4	+1.0 (+567%)
Performance Materials	Sales	23.5	25.1	48.6	51.5	100.1	25.7	26.3	52.0	54.0	106.0	+2.2	+1.2	+3.4	+2.5	+5.9 (+6%)
	OP	7.0	7.4	14.4	14.6	29.0	8.3	8.0	16.3	14.6	30.9	+1.3	+0.6	+1.9	0.0	+1.9 (+7%)
Agrochemicals	Sales	20.4	18.8	39.2	47.0	86.2	23.2	15.5	38.7	53.3	92.0	+2.8	-3.3	-0.5	+6.3	+5.8 (+7%)
	OP	6.9	7.3	14.2	11.4	25.6	7.6	4.1	11.7	13.6	25.3	+0.7	-3.2	-2.5	+2.2	-0.3 (-1%)
Healthcare	Sales	1.5	1.8	3.3	2.7	6.0	1.5	1.1	2.6	2.6	5.2	0.0	-0.7	-0.7	-0.1	-0.8 (-13%)
	OP	0.6	0.7	1.3	0.6	1.9	0.4	0.1	0.5	0.9	1.4	-0.2	-0.6	-0.8	+0.3	-0.5 (-26%)
Trading, Others, Adjustment	Sales	4.4	4.8	9.2	12.1	21.3	5.2	4.3	9.5	9.4	18.9	+0.8	-0.5	+0.3	-2.6	-2.4
	OP	-0.8	-0.4	-1.2	1.3	0.1	0.0	-0.4	-0.4	-0.8	-1.2	+0.8	0.0	+0.8	-2.1	-1.3
Total	Sales	58.7	59.5	118.2	133.2	251.4	65.0	56.9	121.9	140.3	262.2	+6.3	-2.6	+3.7	+7.1	+10.8 (+4%)
	OP	14.4	13.9	28.3	28.5	56.8	17.1	11.2	28.3	29.3	57.6	+2.7	-2.7	0.0	+0.8	+0.8 (+1%)

1. Including inter-segment sales/transfers

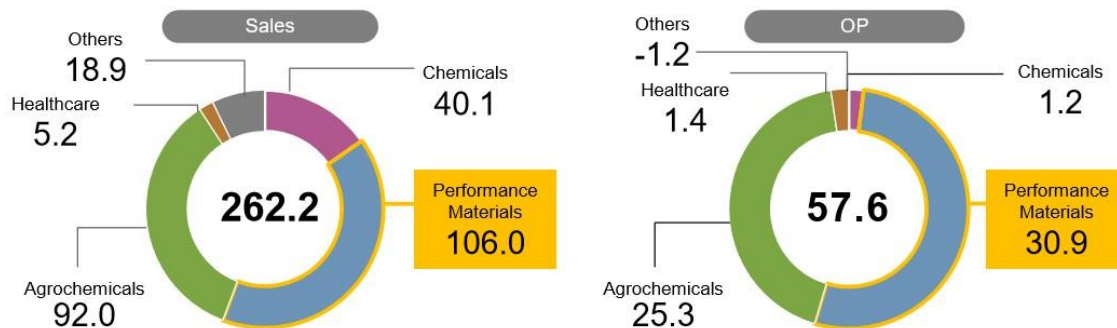
2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay.

NC Agro Hakodate Nippon Polytech (added as consolidated subsidiaries from FY2024) Nihon Hiryo. Adjustment: Planning & Development Division and others (see p63, p64 for breakdown)

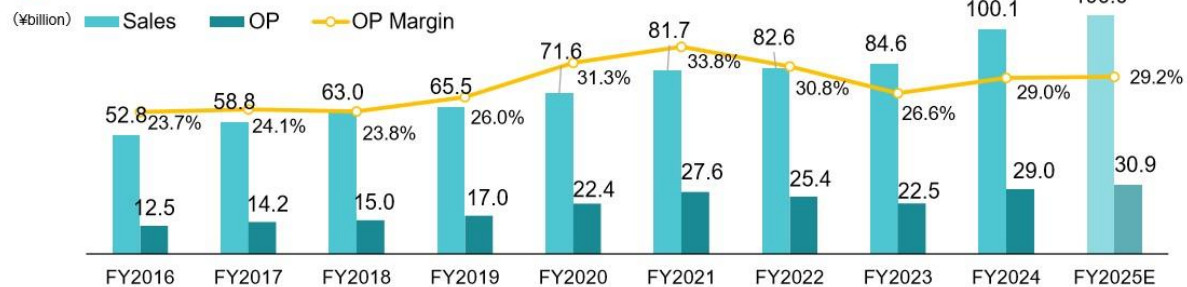
3. Sales and OP for Planning & Development Division in FY2024 Actual and FY2025 Outlook are disclosed on p45

The last page, page 19, shows the outlook by segment for the current fiscal year compared to FY2024.

FY2025 Outlook by Segment¹ (¥billion)



Performance Materials – Recent Financial Performance^{1,2}



1. FY2025- : New OP Method (see p62) 2. Organizational changes was implemented in April 2022. FY2016-2020 Actual figures are based on old segmentation.

Reference [Presentation for R&D of Performance Materials](#) (June 21, 2022)

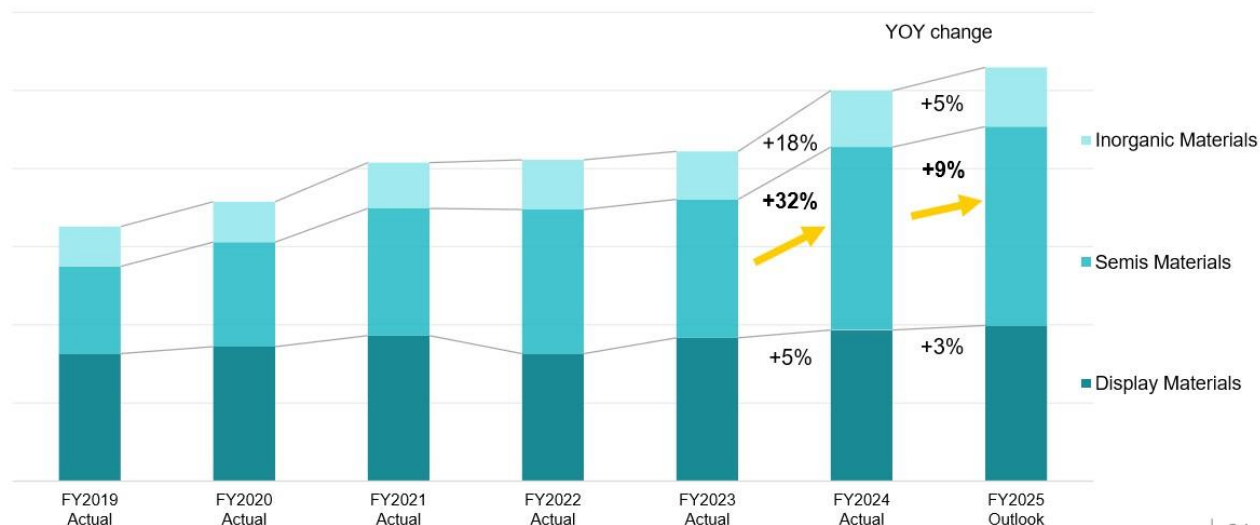
| 20

Now, let me explain the outlook by segment. Please see page 20.

In the Performance Materials segment, sales in FY2024 finally reached the JPY100 billion mark, and we plan to maintain a high OP margin in FY2025.

- DP Materials: Recovered after bottom-out in FY2022, have maintained stable sales as Cash Cow
- Semis Materials: High growth rate (YOY change) were archived in FY2024 along with the recovery of Semis market after the temporary adjustment phase in FY2023. The medium- 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
- All of the subsegments' sales are increasing in FY2025, especially Semis Materials

Sales Trend of Performance Materials by Subsegment



| 21

Specifically, starting with sales, please see page 21.

Images by sub-segment are shown.

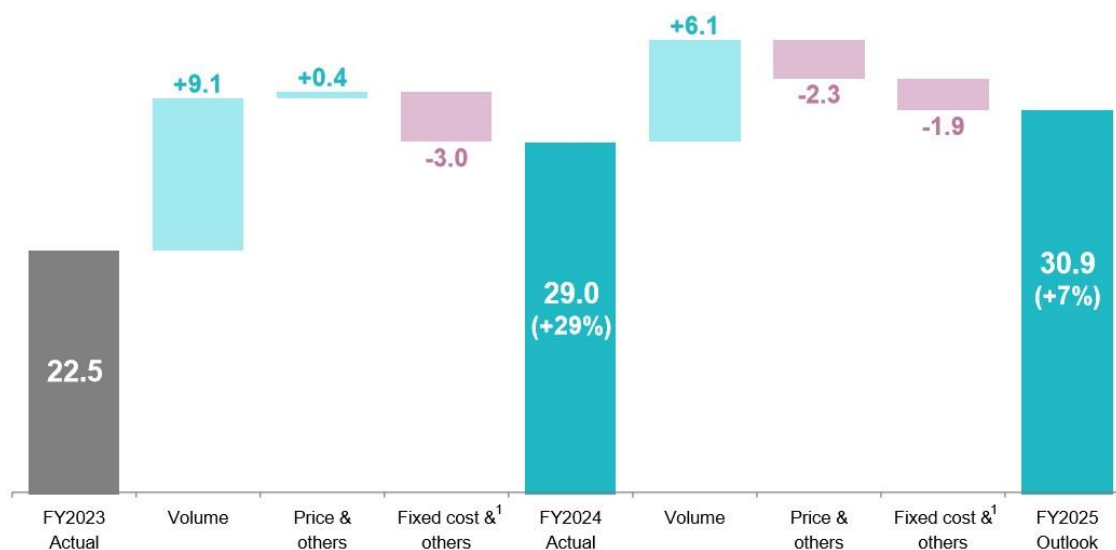
The second from the right is the actual results for FY2024, and the rightmost one is the outlook for FY2025. As for display materials, they started to recover after bottoming out in FY2022 and are expected to maintain stable sales as cash cow.

The semiconductor materials market was in a temporary adjustment phase in FY2023, but with the recovery of the market, a high growth rate of 32% YoY was achieved in FY2024. EUV materials have grown due to increased customer production, and we believe that the growth trend will remain unchanged over the medium to long term.

In this sense, sales of semiconductor materials, the growth driver, exceeded those of display materials. For FY2025, we expect all of these sub-segments to increase sales YoY, mainly in semiconductor materials.

- Sales and OP in FY2024 substantially up due to volume increase in all of the subsegments, especially Semis Materials, despite fixed cost & others for future growth increased
- Sales and OP in FY2025 up due to volume increase in Semis Materials and Display Materials despite price & others down and fixed cost & others down

Analysis of Changes in OP (¥billion)



1. Fixed cost & others: including inventory adjustment cost

| 22

Next, on page 22, is an analysis of changes in operating profit in the Performance Materials segment for three fiscal years of FY2023, FY2024, and the outlook for FY2025.

In FY2024, although there was an increase in fixed costs due to investment for growth in semiconductor materials, volume growth in all sub-segments, especially semiconductor materials, made a significant contribution, resulting in a significant increase in both sales and profit.

In FY2025, we plan to increase both sales and profits by increasing the volume of semiconductor materials and display materials, although there are some factors that may reduce profits, such as price and fixed costs.

- DP Materials: 【FY2024 Full-Year Actual】 Sales YOY +5% 【FY2025 Full-Year Outlook】 Sales YOY +3%
- Semis Materials: 【FY2024 Full-Year Actual】 Sales YOY +32% 【FY2025 Full-Year Outlook】 Sales YOY +9%
- Inorganic Materials: 【FY2024 Full-Year Actual】 Sales YOY +18% 【FY2025 Full-Year Outlook】 Sales YOY +5%

Main Products	FY2024 Actual					FY2025 Outlook				
	YOY Change					YOY Change				
	1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total
Total Display Materials	+1%	+9%	+10%	+9%	+5%	+10%	+1%	+6%	+1%	+3%
ARC®	+32%	+15%	+16%	+15%	+22%	+3%	0%	+2%	+3%	+2%
Multi layer process materials	+68%	+96%	+15%	+45%	+54%	+14%	+15%	+14%	+12%	+13%
EUV materials ¹	+44%	+21%	+31%	+26%	+34%	+17%	+3%	+10%	+11%	+10%
Total Semis Materials	+42%	+34%	+17%	+24%	+32%	+10%	+7%	+9%	+9%	+9%
Total Inorganic Materials	+19%	+11%	+21%	+16%	+18%	+7%	+6%	+7%	+3%	+5%
Total Segment	+20%	+19%	+14%	+17%	+18%	+9%	+5%	+7%	+5%	+6%

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

| 23

Continuing on page 23, we show the growth rate of sales of our main products.

The left side from the middle shows the results for FY2024, and the total annual figures show a 5% increase for display materials, a 32% increase for semiconductor materials as mentioned earlier. In particular, multi-layer process materials, the third line from the top, show very strong figure of 54% increase.

Inorganic materials also performed very well, resulting in an 18% increase in sales. As a result, overall segment sales increased 18%.

As for the outlook for FY2025, as you can see in the rightmost column of the right half of the table, we expect an increase of 3% in display materials, 9% in semiconductor materials, and 5% in inorganic materials, for an overall increase of 6% in the segment as a whole.

(¥billion)

	FY2023 Actual					FY2024 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	40.5	21.4	22.7	44.1	84.6	48.6	25.6	25.9	51.5	100.1	+8.1	+4.2	+3.2	+7.4	+15.5
OP	11.1	6.3	5.1	11.4	22.5	14.4	7.9	6.7	14.6	29.0	+3.3	+1.6	+1.6	+3.2	+6.5

Fixed cost & others [2H] up ¥0.9 billion [Total] up ¥3.0 billion

[2H][Total] Sales & OP up

Display Materials

Photo IPS	Non-Smartphone overall up [2H] Sales up (large monitor and automobile up) [Total] Sales up (large monitor and Note PC up)
Rubbing IPS	[2H] Sales up [Total] Sales down
VA	[2H][Total] Sales up (TV production recover)

[2H][Total] Sales & OP upSemis market (mainly advanced materials) recovery
Inventory buildup at some customers in FY2024

Semis Materials

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

Fixed cost & others
[2H] up ¥1.1 billion [Total] up ¥3.0 billion

Inorganic Materials

[2H][Total] Sales & OP up[2H] [Total] Sales up in SNOWTEX (especially polishing),
Organo/Monomer Sol

| 24

Continuing on page 24, here is a comparison of FY2024 results to FY2023, with a few comments for each of the sub-segments, so please check this later.

As I mentioned earlier, all sub-segments saw an increase in revenue and profit.

(¥billion)

	FY2024 Actual					FY2025 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	23.5	25.1	48.6	51.5	100.1	25.7	26.3	52.0	54.0	106.0	+2.2	+1.2	+3.4	+2.5	+5.9
OP	7.0	7.4	14.4	14.6	29.0	8.3	8.0	16.3	14.6	30.9	+1.3	+0.6	+1.9	0.0	+1.9

Fixed cost & others 【Total】 up ¥1.9 billion

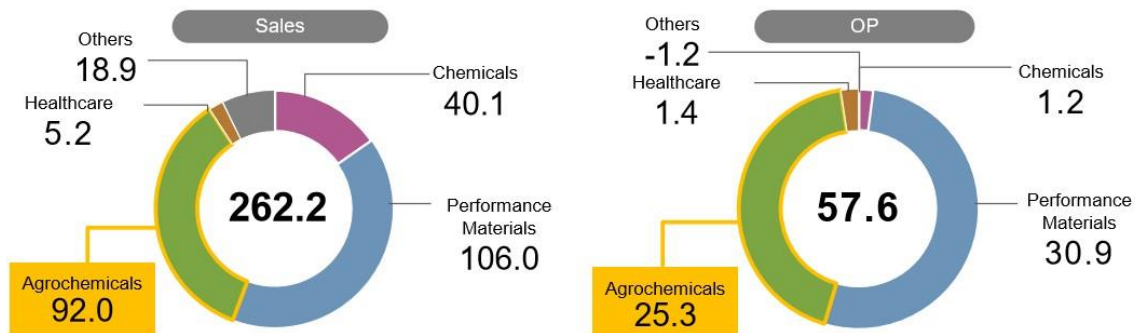
【Total】 Sales & OP up		【Total】 Sales & OP up	
Display Materials	Photo IPS	Non-Smartphone up 【Total】 Sales up (large monitor and automobile up)	Mainly advanced materials up
	Rubbing IPS	【Total】 Sales down	ARC [®] 【Total】 Sales up
	VA	【Total】 Sales up (partly market share up)	Multi layer process materials 【Total】 Sales up
	Fixed cost & others 【Total】 up ¥0.4 billion		EUV materials 【Total】 Sales up
Semis Materials			3D packaging process materials 【Total】 Sales up
			Fixed cost & others 【Total】 up ¥0.9 billion
			Fixed cost & others 【Total】 up ¥0.5 billion
Inorganic Materials			【Total】 Sales up, OP down
			【Total】 Sales up in Oilfield materials, SNOWTEX (especially polishing)
			Fixed cost & others 【Total】 up ¥0.5 billion

| 25

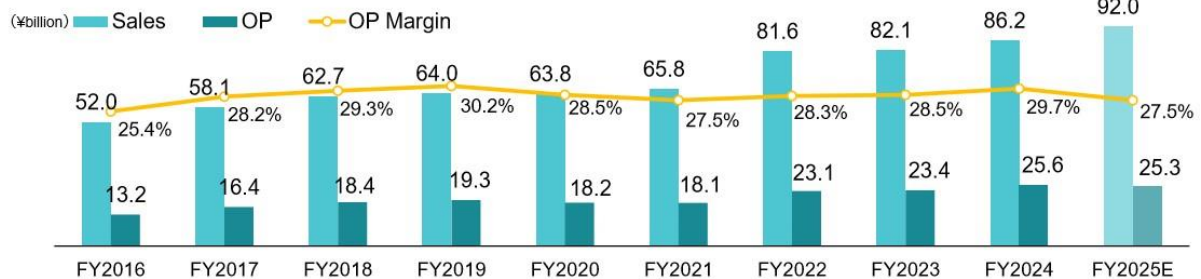
Page 25 shows a YoY comparison of the outlook for this fiscal year.

Display materials and semiconductor materials show an increase in sales and profit, while inorganic materials show an increase in sales but decrease in profit. The overall figure for the increase in fixed costs, et cetera, is JPY1.9 billion.

FY2025 Outlook by Segment¹ (¥billion)



Agrochemicals – Recent Financial Performance^{1,2}



1. FY2025- : New OP Method (see p62)

2. Organizational changes was implemented in April 2022. FY2016-2020 Actual figures are based on old segmentation.

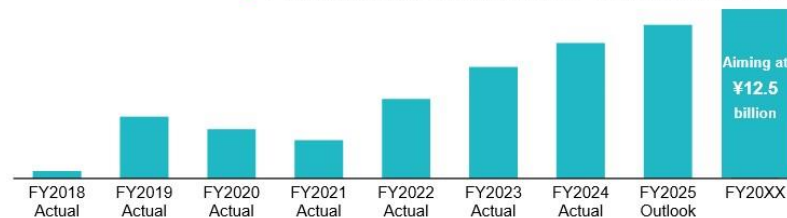
Next, page 26 is for the Agrochemicals segment.

【FY2024 Full-Year Actual】 Sales YOY +5% 【FY2025 Full-Year Outlook】 Sales YOY +7%

Main Products (Agro: in order of FY2024 Sales amount)		Types	FY2024 Actual					FY2025 Outlook				
			YOY					YOY				
			1H	3Q	4Q	2H	Total	1Q	2Q	1H	2H	Total
Agro	ROUNDUP ¹	Herbicide	-2%	+2%	-8%	-7%	-5%	+5%	+11%	+8%	+9%	+8%
	ALTAIR	Herbicide	+20%	-11%	-3%	-4%	0%	+19%	-20%	+15%	+2%	+5%
	GRACIA	Insecticide	+42%	+12%	-5%	+2%	+21%	-20%	-33%	-27%	+68%	+14%
	LEIMEY	Fungicide	+125%	+149%	-3%	+13%	+45%	+43%	-42%	0%	-5%	-3%
	TARGA	Herbicide	-47%	-5%	-15%	-12%	-29%	+3%	+30%	+15%	-13%	-3%
	PERMIT	Herbicide	-46%	+332%	+59%	+138%	+22%	+1%	+4%	+2%	-8%	-5%
	DITHANE	Fungicide	-24%	-30%	+11%	-1%	-9%	+35%	-3%	+15%	+3%	+6%
	VERDAD	Herbicide	-	-	-	-	-	-	-	-	+178%	+201%
Animal Health	Fluralaner	Animal Health products	+20%	-3%	-21%	-12%	+6%	+31%	-17%	+5%	+25%	+12%
Total Segment ²		-	+11%	+11%	-4%	0%	+5%	+14%	-18%	-1%	+13%	+7%

GRACIA Sales

- Initial sales target of ¥10.0 billion was achieved in FY2024
- Peak sales target revised upward to ¥12.5 billion at this time



Reference

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

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

1. ROUNDUP AL for general household account for 22% of total ROUNDUP sales (FY2024 Actual)
2. Total segment sales YOY include discount

| 27

On page 27 are the sales growth rates of our main products for the last year and the current year.

As you can see in the last line, the total segment revenue increased by 5% in FY2024. In contrast, we expect a 7% increase in the current FY2025.

For Fluralaner, sales increased 6% in FY2024 and are expected to increase 12% in FY2025.

In addition, the graph below shows sales in GRACIA, which reached the initial target of JPY10.0 billion in FY2024. This time, we have revised our peak sales target upward to JPY12.5 billion.

(¥billion)

	FY2023 Actual					FY2024 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	35.3	13.2	33.6	46.8	82.1	39.2	14.6	32.4	47.0	86.2	+3.9	+1.4	-1.2	+0.2	+4.1
OP	11.6	2.9	8.9	11.8	23.4	14.2	3.7	7.7	11.4	25.6	+2.6	+0.8	-1.2	-0.4	+2.2

Fixed cost & others [2H] up ¥1.8 billion [Total] up ¥1.6 billion (including a temporary factor (decrease in amortization expense of ¥1.1 billion))

[2H] Sales up, OP down

ROUNDUP	Sales down (ML: volume down due to distribution inventory adjustment)	PERMIT	Sales up (export: shipment skewed to 2H in FY2024)
ALTAIR	Sales down (export: sales down due to distribution inventory adjustment in Asia)	VERDAD	Sales up (domestic: launched in 4Q FY2024)
LEIMAY	Sales up (export: sales up due to increased demand in Europe, shipment shifted from FY2025)	Fluralaner	Sales down (API: sales down due to shipment shifted to FY2025, royalties: sales up)

[Total] Sales & OP up

ROUNDUP	Sales down (ML: volume down due to distribution inventory adjustment)	PERMIT	Sales up (export: sales up due to increased demand in Europe, shipment shifted from FY2025)
GRACIA	Sales up (domestic: sales expansion, export: sales expansion in Asia, etc.)	DITHANE	Sales down (domestic: shipment shifted to FY2025, export: sales down)
TARGA	Sales down (export: sales down in Europe due to distribution inventory adjustment, shipment shifted to FY2023)	VERDAD	Sales up (domestic: launched in 4Q FY2024)
LEIMAY	Sales up (export: sales up due to increased demand in Europe)	Fluralaner	Sales up (API: sales down due to shipment shifted to FY2025, royalties: sales up, partly affected by JPY depreciation)

| 28

On page 28, this is the comparison of FY2024 results with FY2023.

On a full-year basis, both sales and profit increased as shown in the bottom half. Some figures were strong and some were weak.

In addition to GRACIA, LEIMAY, and PERMIT that have been strong, as I mentioned in the previous issue, some shipments of APIs for Fluralaner have been pushed back to FY2025. As a result, sales of API shipment decreased, but overall sales increased, up 6%.

(¥billion)

	FY2024 Actual					FY2025 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	20.4	18.8	39.2	47.0	86.2	23.2	15.5	38.7	53.3	92.0	+2.8	-3.3	-0.5	+6.3	+5.8
OP	6.9	7.3	14.2	11.4	25.6	7.6	4.1	11.7	13.6	25.3	+0.7	-3.2	-2.5	+2.2	-0.3

Fixed cost & others [Total] up ¥3.5 billion (including a temporary factor of ¥1.1 billion decrease in amortization expense in FY2024)

[Total] Sales up, OP down

ROUNDUP	Sales up (ML: volume up due to completion of distribution inventory adjustment, AL: volume up)
ALTAIR	Sales down (export: sales country expansion, volume up in existing sales countries as well)
GRACIA	Sales up (domestic: sales expansion, export: sales country expansion)
DITHANE	Sales up (domestic: shipment shifted from FY2024)
VERDAD	Sales up (domestic: launched in 4Q FY2024, sales expansion in FY2025)
Fluralaner	Sales up (API: sales up due to shipment shifted from FY2024, royalties: sales down, partly affected by JPY appreciation)

| 29

Page 29 shows a YoY comparison of the outlook for this fiscal year.

As I mentioned earlier, there will be a slight decrease in profit, but the details are as indicated in the comments below.

As shown in the last line of the table, the sales of Fluralaner are expected to increase due to the postponement of some API shipments from FY2024, as I mentioned earlier.

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 MAH 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 USA in June 2014 and in Japan in July 2015
New products Pipeline	2017 TRANSFORM™ / EXCEED™ / VIRESCO™	Insecticide	Licensed-in	Licensed from Dow
	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 ¥12.5 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 ¥6.0 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
¥36.0 billion

1. MAH: MSD Animal Health, the global animal health business unit of Merck 2. BRAVECTO[®]: the product name developed by MAH, containing the active substance Fluralaner

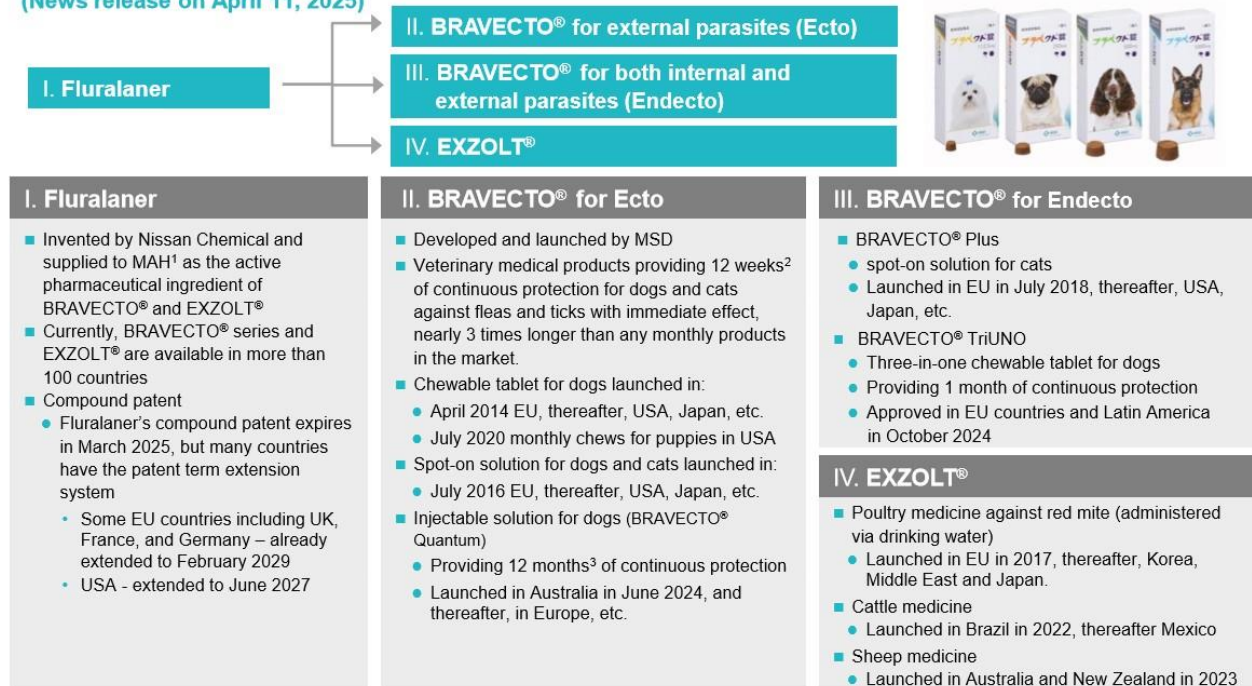
| 30

Page 30 is a list of main products.

As you can see in the yellow box on the right, we have revised our expected peak sales target slightly upward to JPY36.0 billion for the new products, which consists of six pesticides from GRACIA to NC-656, which is scheduled to be launched in 2027.

In particular, for VERDAD(NC-653) on the third line from the bottom, which was launched in 2024, we have updated the sales target to JPY6.0 billion, taking into consideration several factors.

- 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)
- Long-term supply agreement with MAH¹ for Fluralaner extended, joint R&D to create new animal health products (News release on April 11, 2025)



1. MAH: 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

32

Next, please jump to page 32.

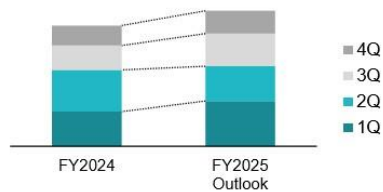
In terms of API of animal health product, Fluralaner, as President Yagi mentioned earlier, as shown in the third bullet point from the top, we announced on April 11 the extension of a long-term supply agreement with MAH regarding Fluralaner and the start of joint research and development for the creation of a new veterinary drug.

Although no details are disclosed, we believe that this is another cornerstone for further growth in the veterinary drug field.

Nissan Chemical's Revenues are Consisted from Following Two Factors

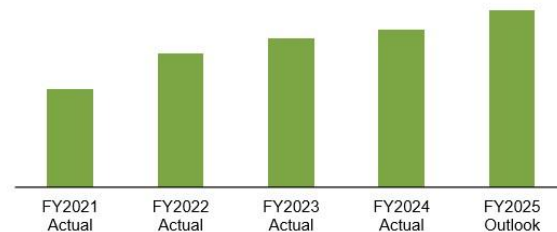
- Sales of Fluralaner to MAH¹ as API² of BRAVECTO[®] and EXZOLT[®] products
- Running royalties received from MAH

FY2024 - FY2025 Quarterly Sales (including royalties)



Our Fluralaner sales tend to be larger in 1H due to MAH's BRAVECTO[®] and EXOLT[®] sales trend.

FY2021 - FY2025 Sales Trend (including royalties)



- 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/\$.
- Actual exchange rate for FY2024 is ¥153/\$.
- Large sales increase in FY2025 due to shipments shifted from FY2024. Assumed exchange rate for FY2025 is ¥145/\$.

BRAVECTO[®] series R&D

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

1. MAH: MSD Animal Health, the global animal health business unit of Merck 2. API: Active Pharmaceutical Ingredient

Please see page 33.

The green graph on the right shows sales from FY2021 to the outlook for FY2025, including royalty income for Fluralaner. For the current fiscal year, the exchange rate assumption is JPY145.

- In FY2024, while volume increased mainly in environmental related products and high purity sulfuric acid, income increased slightly due to an increase in fixed cost & others
- Impairment loss in Fine Chemicals business was recorded in FY2024 (extraordinary loss of ¥2.8 billion)
- In FY2025 outlook, Sales and OP up due to a decrease in fixed cost (¥0.6 billion) from impairment loss in Fine Chemicals business as well as volume increase in many products such as high purity sulfuric acid

■ Analysis of Changes in OP (¥billion)



1. Fixed cost & others: including inventory adjustment cost.
Including decrease in fixed cost from impairment loss in Fine Chemical business in FY2025 Outlook

Next, the Chemicals segment. Please see page 36.

This is the analysis of changes in operating profit. As with the Performance Materials discussed earlier, the analysis covers the three-year period of 2023 results, 2024 results, and the 2025 outlook. In FY2024, while the volume of environmental chemicals and high purity sulfuric acid increased, the increase in fixed costs and other expenses resulted in only a small increase in profit.

In addition, in FY2024, we implemented an impairment loss of JPY2.8 billion on the fine chemical business, as I mentioned earlier.

In FY2025, in addition to an increase in the volume of many products such as high purity sulfuric acid, we expect a decrease of JPY0.6 billion in fixed costs partly due to an impairment loss in the fine chemicals business. As a result, we expect an increase both in sales and profit.

(¥billion)

	FY2023 Actual					FY2024 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	17.9	9.6	8.1	17.7	35.6	17.9	10.2	9.7	19.9	37.8	0.0	+0.6	+1.6	+2.2	+2.2
Fine Chemicals	6.0	3.0	2.6	5.6	11.6	6.3	3.4	3.2	6.6	12.9	+0.3	+0.4	+0.6	+1.0	+1.3
Basic Chemicals	11.9	6.6	5.5	12.1	24.0	11.6	6.8	6.5	13.3	24.9	-0.3	+0.2	+1.0	+1.2	+0.9
OP	-0.1	0.4	-0.3	0.1	0.0	-0.4	0.5	0.1	0.6	0.2	-0.3	+0.1	+0.4	+0.5	+0.2

Fixed cost & others [2H] up ¥0.4 billion [Total] up ¥0.9 billion

[2H] Sales & OP up

In Fine Chemicals, sales up mainly in environmental related products and FINEOXOCOL. Despite of increase in fixed cost & others, OP up.

In Basic Chemicals, sale up in urea/AdBlue® and Nitric acid products (increase from earthquake in FY2023).

Despite of increase in fixed cost, OP up

[Total] Sales & OP up

In Fine Chemicals, sales up mainly in environmental related products, FINEOXOCOL, and TEPIC for general applications.

Despite of increase in fixed cost & others, OP up.

In Basic Chemicals, sale up due to strong sales of high purity sulfuric acid (demand increase for semiconductors), but OP down due to raw material cost up and fixed cost & others up.

(¥billion)

	FY2024 Actual					FY2025 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	8.9	9.0	17.9	19.9	37.8	9.4	9.7	19.1	21.0	40.1	+0.5	+0.7	+1.2	+1.1	+2.3
Fine Chemicals	3.1	3.2	6.3	6.6	12.9	3.1	3.3	6.4	6.6	13.0	0.0	+0.1	+0.1	0.0	+0.1
Basic Chemicals	5.8	5.8	11.6	13.3	24.9	6.3	6.4	12.7	14.4	27.1	+0.5	+0.6	+1.1	+1.1	+2.2
OP	0.7	-1.1	-0.4	0.6	0.2	0.8	-0.6	0.2	10.0	1.2	+0.1	+0.5	+0.6	+0.4	+1.0

Fixed cost & others [Total] up ¥0.2 billion

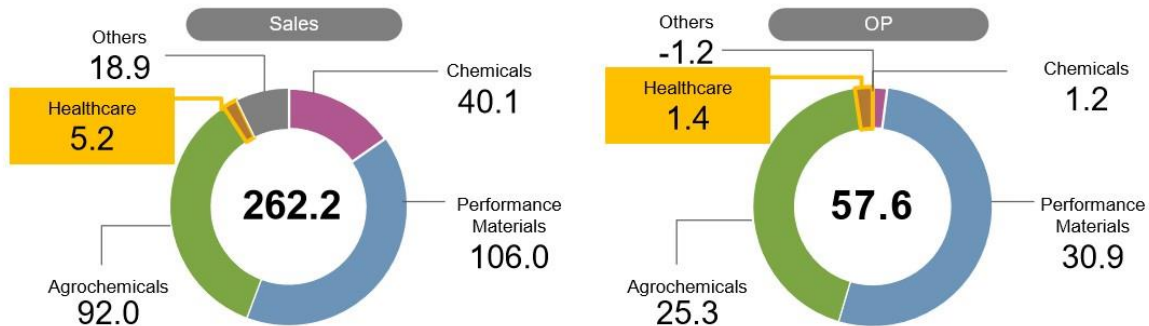
[Total] Sales & OP up

In Fine Chemicals, sales flat due to sales down in TEPIK for general applications while sales up in environmental related products.

OP flat as lower selling prices (negative impact) due to the impact of Chinese competitors' products were offset by lower fixed cost due to impairment losses recorded at the end of FY2024.

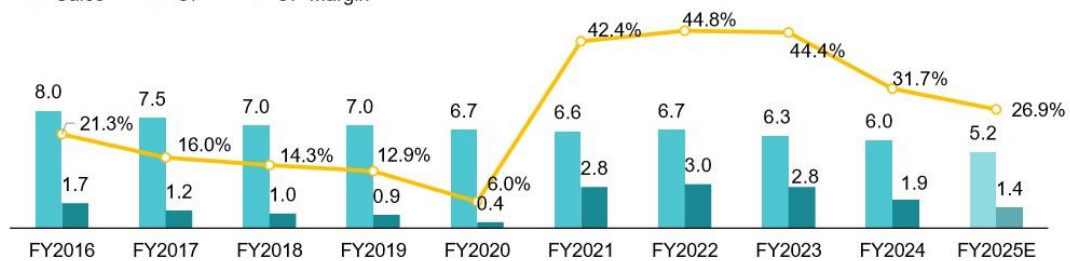
In Basic Chemicals, sale up due to higher volumes and prices, mainly in high purity sulfuric acid (demand increase for semiconductors), and urea/AdBlue®. Despite of increase in fixed cost & others, OP up.

FY2025 Outlook by Segment¹ (¥billion)



Healthcare – Recent Financial Performance^{1,2}

(¥billion) Sales OP OP Margin



1. FY2025- : New OP Method (see p62)

2. Organizational changes was implemented in April 2022. FY2015-2020 Actual figures are based on old segmentation.

| 40

Finally, the Healthcare segment on page 40.

The OP margin shown in yellow line has been trending down in recent years. Having said that, we have still maintained a high level for profit margin.

(¥billion)

	FY2023 Actual					FY2024 Actual					YOY Change				
	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total	1H	3Q	4Q	2H	Total
Sales	3.5	1.3	1.5	2.8	6.3	3.3	1.1	1.6	2.7	6.0	-0.2	-0.2	+0.1	-0.1	-0.3
Healthcare	1.3	0.6	0.4	1.0	2.3	0.8	0.5	0.5	1.0	1.8	-0.5	-0.1	+0.1	0.0	-0.5
Custom Chemicals	2.3	0.7	1.0	1.7	4.0	2.5	0.6	1.1	1.7	4.2	+0.2	-0.1	+0.1	0.0	+0.2
OP	1.8	0.5	0.5	1.0	2.8	1.3	0.3	0.3	0.6	1.9	-0.5	-0.2	-0.2	-0.4	-0.9
Healthcare	0.6	0.2	0.2	0.3	0.9	0.1	0.1	0.2	0.3	0.4	-0.5	-0.1	0.0	0.0	-0.5
Custom Chemicals	1.2	0.3	0.4	0.7	1.9	1.1	0.2	0.2	0.4	1.5	-0.1	-0.1	-0.2	-0.3	-0.4

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

[2H] Sales & OP down

OP down due to fixed cost & others up in Custom Chemicals

[Total] Sales & OP down

OP down due to Healthcare sales down (LIVALO domestic and export down, including the impact of Elective Care Scheme for long listed products in Japan) and fixed cost & others up in Custom Chemicals

Next, please see page 42.

This is a YoY comparison of FY2024 results.

Operating profit decreased by JPY0.9 billion. In particular, LIVALO, a health care product, has been affected by elective care scheme for long listed products in Japan, which started in 2H of FY2024. There was also an increase in some fixed costs in custom chemicals.

(¥billion)

	FY2024 Actual					FY2025 Outlook					YOY Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Sales	1.5	1.8	3.3	2.7	6.0	1.5	1.1	2.6	2.6	5.2	0.0	-0.7	-0.7	-0.1	-0.8
Healthcare	0.3	0.5	0.8	1.0	1.8	0.5	0.4	0.9	0.9	1.8	+0.2	-0.1	+0.1	-0.1	0.0
Custom Chemicals	1.2	1.3	2.5	1.7	4.2	1.1	0.6	1.7	1.7	3.4	-0.1	-0.7	-0.8	0.0	-0.8
OP	0.6	0.7	1.3	0.6	1.9	0.4	0.1	0.5	0.9	1.4	-0.2	-0.6	-0.8	+0.3	-0.5
Healthcare	0.0	0.1	0.1	0.3	0.4	0.1	0.0	0.1	0.2	0.3	+0.1	-0.1	0.0	-0.1	-0.1
Custom Chemicals	0.6	0.5	1.1	0.4	1.5	0.3	0.0	0.3	0.8	1.1	-0.3	-0.5	-0.8	+0.4	-0.4

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

[Total] Sales & OP down

LIVALO sales down (including the impact of Elective Care Scheme for long listed products in Japan)

Custom Chemicals sales down (customer inventory adjustment)

Page 43 is the outlook for FY2025 and, compared to FY2024, it also shows the decrease in revenue and profit, for the same reasons as in FY2024 mentioned earlier.

FY2024 Actual vs. FY2027 Mid-Term Plan (announced in May 2025)

(¥billion)

		FY2024 Actual (A)	FY2027 Mid-Term Plan (B)	(B) – (A)	Difference factors
Chemicals	Sales	37.8	43.7	+5.9	Fine Chemicals Sales up(+10%) Environmental related products, TEPIC (electronic materials)
					Basic Chemicals Sales up(+18%) High purity sulfuric acid, Nitric acid products, Urea/AdBlue®
	OP	0.2	2.4	+2.2	OP up (Fine Chemicals, Basic Chemicals) OP up due to sales up, despite of increase in fixed cost & others
Performance Materials	Sales	100.1	122.4	+22.3	DP Sales up(+3%) Other display materials, VA
					Semis Sales up(+38%) Multi layer process materials, ARC®, 3D packaging materials
	OP	29.0	34.2	+5.2	Inorganic Sales up(+23%) SNOWTEX, Oilfield materials OP up (Semis, Inorganic) OP up due to sales up in Semis and Inorganic, despite of increase in fixed cost & others
Agro- Chemicals	Sales	86.2	97.5	+11.3	Agro Sales up(+16%) VERDAD, GRACIA, TARGA
					Animal Health Sales up(+2%)
	OP	25.6	25.9	+0.3	OP up slightly due to a significant increase in fixed cost & others while sales up
Healthcare	Sales	6.0	6.4	+0.4	Healthcare Sales down(-19%) LIVALO (export & domestic)
					Custom Chemicals Sales up(+18%) GE API products, new products
	OP	1.9	2.4	+0.5	
Trading, Others, Adjustment	Sales	21.3	23.0	+1.7	Trading, Adjustment etc. Sales up
	OP	0.1	0.1	0.0	
Total	Sales	251.4	293.0	+41.6	
	OP	56.8	65.0	+8.2	

1. FY2027 Medium-Term Plan (announced in May 2025) :New OP method (see p62)

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Last, if you turn to page 46 for the medium-term business plan, the figures were explained earlier, but this explains difference factors by segment for sales and profit in comparison of FY2024 results and new medium-term plan for FY2027.

Please check it later.

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

(¥billion)

		FY2024 Mid-Term Plan (A)	FY2024 Actual (B)	(B) – (A)	Difference factors
Chemicals	Sales	37.6	37.8	+0.2	Fine Chemicals below target(-10%) TEPIC (general applications & electronic materials)
					Basic Chemicals above target(+7%) Urea/AdBlue®, Nitric acid products
	OP	3.5	0.2	-3.3	OP below target (Fine Chemicals, Basic Chemicals) Fixed cost & others more than outlook, feedstock and raw materials cost up
Performance Materials	Sales	102.9	100.1	-2.8	DP below target(-11%) rubbing IPS, VA, other display materials
					Semis below target(-1%) ARC®, multi layer process materials
	OP	32.1	29.0	-3.1	Inorganic above target(+17%) SNOWTEX, Organo/Monomer sol OP below target (DP, Semis) Sales below due to market adjustment (DP, Semis)
Agro- Chemicals	Sales	77.8	86.2	+8.4	Agro above target(+10%) GRACIA, PERMIT
					Animal Health above target(+14%)
	OP	21.7	25.6	+3.9	Sales above target
Healthcare	Sales	7.2	6.0	-1.2	Healthcare above target(+15%) LIVALO (export)
					Custom Chemicals below target(-26%) GE API products, new products
	OP	2.1	1.9	-0.2	
Trading, Others, Adjustment	Sales	29.5	21.3	-8.2	Adjustment etc. below target
	OP	-0.9	0.1	+1.0	Trading above target +1.5, Other domestic subsidiaries below target -0.4
Total	Sales	255.0	251.4	-3.6	
	OP	58.5	56.8	-1.7	

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The next page, page 47, compares the FY2024 which were announced three years ago in May 2022 with the result of FY2024.

FY2027 Mid-Term Plan (announced in May 2025) vs. FY2027 previous Mid-Term Plan (announced in May 2022)



(¥billion)

		FY2027 previous Mid-Term Plan (A)	FY2027 Mid-Term Plan (B)	(B) - (A)	Difference factors
Chemicals	Sales	40.1	43.7	+3.6	Fine Chemicals below target(-13%) TEPIC (general applications & electronic materials)
					Basic Chemicals above target(+24%) High purity sulfuric acid, Urea/AdBlue®, Nitric acid products
	OP	3.9	2.4	-1.5	OP below target (Fine Chemicals, Basic Chemicals) Fixed cost & others more than outlook, feedstock and raw materials cost up
Performance Materials	Sales	117.2	122.4	+5.2	DP below target(-9%) Other display materials
					Semis above target(+8%) Multi layer process materials, 3D packaging materials, ARC®
					Inorganic above target(+33%) SNOWTEX, Oilfield materials
	OP	38.0	34.2	-3.8	OP below target (DP, Semis) Fixed cost & others more than outlook
Agro- Chemicals	Sales	82.3	97.5	+15.2	Agro above target(+16%) GRACIA, TARGA
					Animal Health above target(+28%)
	OP	21.0	25.9	+4.9	Sales above target
Healthcare	Sales	11.5	6.4	-5.1	Healthcare below target(-50%) New products
					Custom Chemicals below target(-42%) GE API products, new products
	OP	4.3	2.4	-1.9	
Trading, Others, Adjustment	Sales	33.9	23.0	-10.9	Adjustment below target
					Trading above target +0.6, Other domestic subsidiaries above target +0.7, Adjustment below target -1.0 (including Planning and Development division -0.3)
	OP	-0.2	0.1	+0.3	
Total	Sales	2,85.0	2,93.0	+8.0	
	OP	67.0	65.0	-2.0	

1. FY2027 Medium-Term Plan (announced in May 2025) :New OP method (see p62)

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On page 48, we show the differences between the previous medium-term plan of three years ago and the new medium-term plan this time for the figures of FY2027.

Please check it later.

This concludes my presentation.

Question & Answer

<Questioner 1>

Q: In Agrochemicals, it seems like the top line will grow toward FY2027 mainly because of VERDAD which was launched in FY2024, but are there any existing products that can be a large factor for growth?

A: Among existing products, we expect growth in GRACIA, TARGA, ROUNDUP, and LEIMAY. As for LEIMAY, we are seeing strong demand especially in Europe, and we expect it will continue to grow next year and beyond.

Q: Also, regarding Fluralaner after the patent expiration, I understand the current medium-term plan will have much impact, but is there anything that you can offset its impact?

A: Although it is inevitable that the patent of Fluralaner will be expired, we are working to expand the volume of active pharmaceutical ingredients through a series of discussions with MAH and to launch new products as early as possible through joint research and development with MAH.

<Questioner 2>

Q: In Agrochemicals, how much will new products such as VERDAD and NC-656 contribute for the three-year medium-term plan?

A: Sales of new products included in FY2027 outlook are relatively small. Partly because the registration of VERDAD has been delayed one year, we estimate sales are limited in the medium-term plan.

Although the top line has grown slightly slower because of the reason, we are aiming to achieve this figure by maintaining steady sales of existing products.

Q: Regarding the management indicators in the medium-term plan, you have set targets of OP margin of 20% or more and ROE of 18% or more. These are already high levels, but I would like to know whether OP margin and ROE can be raised one step further.

A: OP margin and ROE have remained at a fairly high level. If we would like to aim for higher level, for example, strategic investments including M&A can be considered. As we have done in the past, we would like to take various initiatives and considerations to achieve not only organic growth, but also inorganic growth.

In addition, although there is a view that fixed costs should be reduced in order to increase profit margins in the medium-term plan, we have decided to allocate the fund intensively and boldly in selective areas; in particular, R&D and CAPEX for organic growth. At this point, we do not think that we should cut them, and we believe that we will accelerate growth toward FY2030 after completing the investment.

Q: I see. For inorganic growth, is the target area in Performance Materials and Agrochemicals?

A: In addition to Performance Materials and Agrochemicals, new material areas researched and developed by the planning and development divis can be a candidate potentially.

<Questioner 3>

Q: I would like to ask about the improving the profitability on Chemicals segment. You mention reducing the production capacity of TEPIC by half. I would like to know when you plan it.

A: We have already started reducing the production capacity of TEPIC by half in 2H of FY2024.

Q: I see. With the reducing of TEPIC's production capacity, what are your thoughts on the production balance of isocyanuric acid, which is used as a raw material for TEPIC?

A: As for the isocyanuric acid balance, of course, the production of isocyanuric acid decreases when the production of TEPIC decreases. However, the overall balance of ammonia-related products has not been disrupted, so there is no problem.

Q: You also mentioned the use of outsourced manufacturing and the discontinuation of unprofitable products. What specific products are you going to target?

A: As for use of outsourced manufacturing and the discontinuation of unprofitable products, I am afraid that I will not disclose the name of the specific product as it involves our customers, but we will make steady progress.

Q: Also, in relation to Chemicals, there was a nitric acid plant trouble at the beginning of April, which I believe has been resolved. I would like to confirm whether you have factored this impact in the current fiscal year.

A: We apologize for the inconvenience caused by the nitric acid plant trouble, but production resumed at the end of April. We are still estimating the impact on our business performance and have not incorporated it into our FY2025 outlook, but we expect that the impact will be limited.

Q: As for improving profitability of Chemicals, you expect fixed and variable costs to decrease by JPY4.0 to JPY5.0 billion in the cumulative period of FY2025 to FY2030. Could you please explain more about this?

A: The JPY4.0 to 5.0 billion reduction in fixed and variable costs includes the decrease in depreciation due to the impairment. In other words, depreciation expense that would have been incurred if the asset had not been impaired will no longer be incurred due to the impairment, so this decrease in depreciation expense is included. As stated in the financial results presentation material, there will be a JPY0.6 billion decrease in depreciation expenses in FY2025.

In addition, we expect to reduce costs by halving the production capacity of TEPIC's manufacturing facilities and outsourcing manufacturing to third companies.

Q: Regarding your view on R&D, in recent years, the R&D to sales ratio has often been in the 7% range, but in FY2025, it is expected to be raised to 8.5%. Looking at the amount of R&D expenses in the new medium-term plan, it appears that investment in R&D is increasing.

You mentioned M&A earlier, and if you do not stick to your own R&D, I think it is one way to put money into M&A rather than increasing your own R&D. What is your thought on increasing your R&D budget?

A: As for the increase in R&D investment in Performance Materials, especially semiconductor materials, will account for a considerable weight. We will be investing considerable resources in semiconductor materials, including research facilities and personnel.

Regarding the allocation of resources between organic and inorganic growth, our policy is to invest the necessary resources in areas where we can do so organically, and if there are opportunities, we will consider strengthening our business or entering new areas through acquisitions of businesses from outside.

Q: Also, you have included a list of new products in medium-term plan presentation materials. Could you mention any of the highly anticipated products that seem particularly certain?

A: Regarding promising new products, let me explain about it in relation to the planning and development division.

In April 2025, we have updated the grouping and have decided on areas of concentration. Among these, in the LiB Materials Business Development Group (LiB stands for lithium-ion battery), our material has already been adopted. Since this is for in-vehicle applications, it will take some time to expand, but we understand that expectations for this product are high.

In addition, we are aware that there are opportunities to adopt new materials for optical interconnect materials and thermal management materials, as servers and electronic devices using high-performance semiconductor chips are currently facing issues of power consumption and heat dissipation. We have been working on this area for a long time, but we are now in the process of focusing our efforts on this area in order to quickly gain their adoption.

<Questioner 4>

Q: Regarding cash allocation in the medium-term plan, you mentioned that M&A funding is basically debt financing, but if there is a deal that exceeds the debt financing capacity, is it possible that you will not be able to maintain the policy of shareholder return in the short term? Or does it seem unlikely that there are any such deals at this time?

A: We cannot disclose specific figures regarding strategic investments (including M&A), but we believe that they would be well within the scope of debt financing.

Q: I understood. Also the capital investment in the medium-term plan is mainly for semiconductor materials, but since NCK's capacity expansion has just been completed, could you tell me if there is a specific need for the next capacity increase?

A: Regarding capital investment for semiconductor materials, we expect sales to grow by 38% over the next three years through FY2027, so we believe that further capacity expansion will be necessary at some point in the future.

Although we have not yet made the final decision on this, we are considering this as a possibility for the future within the three years of this medium-term plan.

Q: As for Fluralaner, I believe Merck is revising its profits downward, citing the increased cost of APIs as one of the reasons. I'm wondering if Fluralaner is affected in any way in the context of the tariffs.

A: Regarding the impact of the tariff, although the US is the biggest market for BRAVECTO®, our Fluralaner is shipped to Europe. Then our products will be processed in Europe to be exported to the US. Merck has not yet been able to fully assess the impact of this, and we are now closely exchanging information to determine the extent of the impact.

Q: Also, I think that Bayer AG has recently been involved in a lawsuit over ROUNDUP. You have repeatedly provided information on the safety of ROUNDUP, but could you comment again on whether the risks have increased in this area?

A: Regarding ROUNDUP, we have been actively disclosing our position on lawsuits and the safety of ROUNDUP through X and YouTube.

Although the results of lawsuits in the US and Australia have come out, we do not foresee any major impact, with the support of the producers in Japan. We have received some very critical posts on X, and we are taking legal action against those who have expressed views that are completely unfounded and not based on a scientific standpoint.

It is our understanding that these actions have been received very favorably by users, so we do not expect any impact on our ROUNDUP sales.

[END]