



Nissan Chemical Corporation

1Q FY2025 Financial Results Briefing

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Daimon: I am Daimon of Nissan Chemical Corporation. Thank you for taking time out of your busy schedules to join us today. I will now explain 1Q results.

1Q FY2025 Financial Summary



1Q

vs. 1Q FY2024

- Sales up ¥11.2 billion (+19%)
- OP up ¥3.7 billion (+25%)
- Net Income up ¥2.3 billion (+20%)
- **Sales, OP and Net Income achieved record-high results**

1Q

vs. 1Q Outlook
as of May 2025

- Sales above target ¥4.9 billion
- OP above target ¥1.0 billion
- Net Income above target ¥1.7 billion

FY2025 Outlook

- FY2025 Outlook for 1H and full year remain unchanged from those announced in May 2025
(Outlook by segment also remain unchanged)

Shareholder Returns

- Share repurchase plan: Total ¥10.5 billion(as announced in May)
Completed a ¥1.5 billion in April 2025
Planned a ¥9.0 billion between May 2025 and March 2026

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Please see page four of the material. This is the summary of the results for 1Q. The top box shows the YoY comparison, and in terms of sales, there was an increase of 19%, or JPY11.2 billion. Operating profit increased by 25%, or JPY3.7 billion. Net income increased by 20%, or JPY2.3 billion. The figures will be discussed later, but sales, operating profit, and net income were all record-high.

The box below are comparisons with the May outlook. Net sales, operating profit and net income are all higher than the May outlook, as described. The outlook for FY2025 remains unchanged from the figures announced in May. We have not changed the outlook for 1H and the full year, and also for each segment. We usually do not change the outlook at the time of the 1Q result announcement.

As for shareholder returns shown at the bottom, we announced in May that we plan to repurchase a total of JPY10.5 billion of our own shares this fiscal year, and we have already acquired JPY1.5 billion in April. From May this year to March, we plan to acquire the remaining JPY9.0 billion. It has not changed.

1Q FY2025 Financial Summary YOY Change

(¥billion)

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Sales	58.7	69.9	+11.2 (+19%)
Operating Profit	14.4	18.1	+3.7 (+25%)
Non-Operating Income/Expenses	1.6	0.0	-1.6
Foreign exchange Gains/Losses	1.3	-0.7	-2.0
Ordinary Income	16.0	18.1	+2.1 (+13%)
Extraordinary Income/Loss	0.0	0.0	0.0
Net Income ¹	11.6	13.9	+2.3 (+20%)
EBITDA ²	18.0	21.4	+3.4
EPS (¥/share)	83.78	102.20	+18.42
OP Margin	24.6%	25.9%	+1.3pt
FX Rate (¥/\$)	156	145	-

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

Specific numbers are on page five.

This is a YoY comparison, which means a comparison between one year ago and 1Q. In terms of figures, the second row from the right shows sales of JPY69.9 billion. Operating profit was JPY18.1 billion, ordinary income was JPY18.1 billion, and net income was JPY13.9 billion.

The exchange rate for 1Q of last fiscal year was JPY156 to the dollar, and the average exchange rate for 1Q, last three months, of this fiscal year was JPY145 to the dollar. Although the yen appreciated about JPY11 against the US dollar, the profit increased as shown above.

1Q FY2025 Financial Summary Compared to Outlook

(¥billion)

	1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Sales	65.0	69.9	+4.9 (+7%)
Operating Profit	17.1	18.1	+1.0 (+6%)
Non-Operating Income/Expenses	-0.6	0.0	+0.6
Foreign exchange Gains/Losses	-1.4	-0.7	+0.7
Ordinary Income	16.5	18.1	+1.6 (+10%)
Extraordinary Income/Loss	0.0	0.0	0.0
Net Income ¹	12.2	13.9	+1.7 (+14%)
EBITDA ²	-	21.4	-
EPS (¥/share)	-	102.20	-
OP Margin	26.3%	25.9%	-0.4pt
FX Rate (¥/\$)	145	145	-

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

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Next, please see page six. This is the comparison with the outlook, and that is shown in the rightmost row. The outlook exchange rate announced in May was JPY145 to the dollar, so the actual exchange rate was in line with the outlook.

Analysis of Changes in OP

		(¥billion)			
		FY2025 Actual	FY2024 Actual	YOY Change	Outlook
		18.1	14.4	+3.7 (+25%)	17.1
					vs. Outlook
					+1.0 (+6%)
1Q	Chemicals	YOY Change 0.0	OP flat due to fixed cost etc. ¹ up despite sales increase in FINEOXOCOL and environmental related products		
		vs. Outlook -0.1	OP slightly decrease due to sales decrease in Basic Chemicals despite sales increase in Fine Chemicals		
	Performance Materials	YOY Change +1.1	OP increase due to sales increase in Display Materials, Semis Materials and Inorganic Materials		
		vs. Outlook -0.1	OP slightly decrease due to fixed cost etc. up despite sales increase in Semis Materials		
	Agrochemicals	YOY Change +1.6	OP increase due to sales increase in Fluralaner, LEIMAY and ALTAIR etc.		
		vs. Outlook +1.0	OP increase due to sales increase in LEIMAY, ALTAIR and GRACIA etc.		
	Healthcare	YOY Change -0.1	OP slightly decrease due to fixed cost etc. up despite sales increase in LIVALO		
		vs. Outlook +0.1	OP slightly increase in Custom Chemicals		

1. Fixed cost etc.: including inventory adjustment cost

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Continuing on, page seven, as usual, is the analysis of changes in operating profit by segment.

First, from the top, in the Chemicals segment, operating profit was almost the same as the previous year, flat compared to the same period of the previous year. Sales of FINEOXOCOL and environmental related products increased, but profits remained flat due to an increase in fixed costs. Profit underperformed the outlook slightly by JPY0.1 billion as the fine chemicals business outperformed, but the basic chemicals business slightly underperformed.

Next, the Performance Materials segment. Profit increased JPY1.1 billion YoY. This increase was due to higher sales of display materials, semiconductor materials and inorganic materials, respectively. Profit was slightly lower than the outlook by JPY0.1 billion. Although semiconductors, in particular, outperformed, there were some factors that contributed to a slight decrease in profit, such as an increase in fixed costs, which I will explain later. As a result, profit slightly underperformed the outlook.

Next, Agrochemicals segment. Profit increased JPY1.6 billion YoY. As shown on the right, the increase was due to higher sales of Fluralaner, LEIMAY and ALTAIR, among others. Compared to the outlook, the profit outperformed by JPY1.0 billion. As stated, there was an increase in profit due to outperformance of general agricultural chemicals.

Lastly, in Healthcare segment, profit decreased JPY0.1 billion YoY. On the other hand, profit outperformed the outlook by JPY0.1 billion. The profit was in line with the outlook in terms of YoY comparison and comparison with the outlook.

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

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change	(¥billion) 1Q FY2025 Outlook
Interest income, dividend income	0.29	0.64	+0.35	0.64
Equity in earnings of affiliates	0.13	0.23	+0.10	0.33
Foreign exchange gains/losses ¹	1.27	-0.67	-1.94	-1.40
Interest expense	-0.18	-0.14	+0.04	-0.20
Loss on disposal of non-current assets, others	0.09	-0.02	-0.11	0.02
Non-Operating Income/Expenses	1.60	0.04	-1.56	-0.61
Extraordinary Income	0.00	0.00	0.00	0.00
Extraordinary Losses	0.00	0.00	0.00	0.00
Extraordinary Income/Losses	0.00	0.00	0.00	0.00

1. FX Rate (¥/\$): 2024/3 151.40, 2024/6 161.14, 2025/3 149.53, 2025/6 144.82

Continued on page eight is a breakdown of non-operating income/expenses.

The second row from the left shows the actual results for the current period. In particular, there is a figure of JPY0.04 billion for non-operating income/expenses, which was the factor of the decrease in profit of about slightly less than JPY1.6 billion YoY. Particularly large was foreign exchange gains/losses, which is the third line from the top. As I mentioned earlier, this fiscal year is different from the previous one as the yen appreciated. The actual result was the loss of JPY0.67 billion, and this was the factor of the decrease in profit by slightly less than JPY 2.0 billion YoY.

On the other hand, as you can see on the far right of the May outlook, we had expected a slightly larger foreign exchange loss of JPY1.40 billion, which means that non-operating income/loss is a factor of increase compared to the outlook. There is no change in extraordinary income/losses, which is zero.

Cash Flows

Free cash flow in 1Q FY2025 was ¥13.0 billion, an increase of ¥0.5 billion from 1Q FY2024

	(¥billion)		
	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
CF from operating activities	15.3	16.3	+1.0
Income before income taxes & non-controlling interests	16.0	18.1	+2.1
Extraordinary losses (income)	0.0	0.0	0.0
Depreciation & amortization ¹	3.6	3.3	-0.3
Income taxes paid	-4.7	-8.9	-4.2
Working capital, others	0.4	3.8	+3.4
CF from investing activities	-2.8	-3.3	-0.5
Purchase of PPE ²	-3.2	-4.7	-1.5
Purchase and sales of investment securities	-0.1	0.0	+0.1
Others	0.5	1.4	+0.9
Free cash flow	12.5	13.0	+0.5
CF from financing activities	-1.7	-7.7	-6.0
Payout to shareholders (dividend)	-13.0	-14.2	-1.2
Payout to shareholders (share repurchase)	-4.1	-2.9	+1.2
Liabilities with Interest	16.4	9.5	-6.9
Others	-1.0	-0.1	+0.9
Effect of exchange rate change on cash & cash equivalents	0.1	0.7	+0.6
Change in cash & cash equivalents	11.0	6.1	-4.9
Cash & cash equivalents at end of period	33.8	33.5	-0.3

1. Including amortization of goodwill 2. Including intangible assets

Continuing onto cash flow on page nine.

Free cash flow for 1Q, which is shown slightly down the middle, was JPY13.0 billion, an increase of about JPY0.5 billion from a year ago.

Cash flow from operating activities increased by JPY1.0 billion, and cash flow from investing activities also showed a slight cash outflow, but there was no impact on the overall situation. Cash and deposits totaled JPY33.5 billion, almost unchanged from the previous year.

Balance Sheets

(¥billion)

	2024/6	2025/3	2025/6	vs. 2025/3
Current assets	212.2	210.4	211.5	+1.1
Cash	33.8	27.5	33.5	+6.0
Accounts receivable	85.8	89.1	90.5	+1.4
Inventories	83.3	80.1	78.4	-1.7
Others	9.3	13.7	9.1	-4.6
Fixed assets	123.6	120.4	123.0	+2.6
Total PPE	78.8	72.4	73.8	+1.4
Intangible assets	10.8	13.5	13.1	-0.4
Investment securities	26.5	24.4	26.0	+1.6
Others	7.5	10.1	10.1	0.0
Total assets	335.8	330.8	334.5	+3.7

Breakdown of Investment Securities

	2024/6	2025/3	2025/6	vs. 2025/3
Listed shares³	17.5	15.6	17.2	+1.6
(Number of stocks held, Non-consolidated basis)	(24)	(24)	(24)	(0)
Unlisted shares	2.3	2.2	2.2	0.0
Subsidiaries/Associate shares	6.7	6.5	6.6	0.1
Total	26.5	24.3	26.0	+1.7
Strategic shareholdings on net assets⁴	7.9%	6.9%	7.4%	

1. Change in shareholders' equity -3.1 = Net Income 13.9 - Dividend and others 17.0

3. 2025/3 15.6 + Acquisition 0.0 + Sales and valuation difference 1.6 = 2024/6 17.2

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

	2024/6	2025/3	2025/6	vs. 2025/3
Liabilities	108.7	94.6	98.9	+4.3
Accounts payable	19.8	19.9	19.5	-0.4
Borrowings, Bonds & CP	47.4	40.5	49.8	+9.3
Others	41.5	34.2	29.6	-4.6
Net assets	227.1	236.2	235.6	-0.6
Shareholders' equity ¹	208.5	222.9	219.8	-3.1
Valuation difference on available-for-sale securities	8.5	7.0	8.1	+1.1
Foreign currency translation adjustment	5.4	1.8	2.8	+1.0
Non-controlling interests	3.7	2.9	3.4	+0.5
Remeasurements of defined benefit plans	1.0	1.6	1.5	-0.1
Total liabilities & net assets	335.8	330.8	334.5	+3.7
Equity Ratio	66.5%	70.5%	69.4%	
D/E Ratio²	0.07	0.06	0.07	

Reference

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

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

Continuing onto page 10, the balance sheets.

In the table for assets shown at left top, total assets increased bit less than JPY4.0 billion compared to the end of March in previous year, which showed in the rightmost column.

Inventories, on the other hand, as shown in the fourth line from the top, decreased by JPY1.7 billion compared to March, the end of the previous fiscal year. Compared to the same period last year, June 2024, inventories decreased by about JPY5.0 billion, which indicates that inventory reduction is progressing steadily.

On the right are liabilities and net assets. There are no major changes. The equity ratio is 69.4%, which means that the ratio has remained at around 70%.

1Q FY2025 YOY Change by Segment

(¥billion)

		1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Chemicals	Sales	8.9	9.3	+0.4 (+5%)
	OP	0.7	0.7	0.0 (+4%)
Performance Materials	Sales	23.5	25.9	+2.4 (+10%)
	OP	7.1	8.2	+1.1 (+15%)
Agrochemicals	Sales	20.4	26.6	+6.2 (+31%)
	OP	7.0	8.6	+1.6 (+24%)
Healthcare	Sales	1.5	1.6	+0.1 (+7%)
	OP	0.6	0.5	-0.1 (-20%)
Trading, Others, Adjustment	Sales	4.4	6.5	+2.1
	OP	-1.0	0.1	+1.1
Total	Sales	58.7	69.9	+11.2 (+19%)
	OP	14.4	18.1	+3.7 (+25%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, Nippon Polytech (added as consolidated subsidiaries from FY2024), Nihon Hiryo, and others
Adjustment: Planning & Development Division and others (see p37, p38 for breakdown)

3. 1Q FY2024 Actual have been restated based on the new method (see p39)

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Now, by segment. This is the YoY difference in net sales and operating profit by segment. Please check this later.

1Q FY2025 Compared to Outlook by Segment

(¥billion)

		1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Chemicals	Sales	9.4	9.3	-0.1 (-1%)
	OP	0.8	0.7	-0.1 (-11%)
Performance Materials	Sales	25.7	25.9	+0.2 (+1%)
	OP	8.3	8.2	-0.1 (-1%)
Agrochemicals	Sales	23.2	26.6	+3.4 (+15%)
	OP	7.6	8.6	+1.0 (+14%)
Healthcare	Sales	1.5	1.6	+0.1 (+5%)
	OP	0.4	0.5	+0.1 (+24%)
Trading, Others, Adjustment	Sales	5.2	6.5	+1.3
	OP	0.0	0.1	+0.1
Total	Sales	65.0	69.9	+4.9 (+7%)
	OP	17.1	18.1	+1.0 (+6%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, NC Tokyo Bay, Nippon Polytech (added as consolidated subsidiaries from FY2024), Nihon Hiryo, and others

Adjustment: Planning & Development Division and others (see p37, p38 for breakdown)

Page 13 shows the comparison to the outlook, which is also shown for each segment.

- DP Materials: 【1Q】 Sales YOY +8%, Sales below target
- Semis Materials: 【1Q】 Sales YOY +14%, Sales above target
- Inorganic Materials: 【1Q】 Sales YOY +4%, Sales below target

Main Products	1Q FY2025 Actual	
	YOY Change	vs. Outlook
Total Display Materials	+8%	Below
Total Semis Materials	+14%	Above
ARC®	+8%	Above
Multi layer process materials	+22%	Above
EUV materials ¹	+20%	Above
Total Inorganic Materials	+4%	Below
Total Segment	+10%	Above

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

Please jump to page 16 for the Performance Materials segment.

This shows sales growth rate of main product. As you can see in the table, display materials saw an increase of 8% in sales in 1Q YoY. It was slightly below the outlook.

Semiconductor materials saw an increase of 14% YoY, also slightly above the outlook. Below that, ARC, Multilayer Process Materials, and EUV materials are as shown here.

Then inorganic colloids were also up 4% YoY. It was slightly below the outlook. However, the Performance Materials segment as a whole showed a 10% YoY increase and also outperformed the outlook.

(¥billion)

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Sales	23.5	25.9	+2.4
OP	7.1	8.2	+1.1

Fixed cost & others [1Q] up ¥0.4 billion

[1Q] Sales & OP up		
Display Materials	Photo IPS	Sales up (large monitor and Note PC up)
	Rubbing IPS	Sales down
	VA	Sales down

[1Q] Sales & OP up		
Semis Materials	Mainly advanced materials up	
	ARC®	Sales up
	Multi layer process materials	Sales up
	EUV materials	Sales up
	3D packaging process materials	Sales up
Inorganic Materials	Fixed cost & others up ¥0.3 billion	
	[1Q] Sales & OP up	
	Sales up in SNOWTEX (non-polishing, polishing)	

1. 1Q FY2024 Actual have been restated based on the new method (see p39)

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Next, page 17. This is a summary of sales and profits compared to the same period last year, and then comments on each sub-segment.

The left part shows that operating profit increased by JPY1.1 billion YoY. Display materials saw an increase both in sales and profit in 1Q. In particular, Photo IPS saw two-digit increase in sales, and as indicated in the parentheses, sales of large monitors and notebook PCs were particularly large. In addition, sales of tablets and in-vehicle equipment also showed growth.

On the other hand, the decrease in sales of VA products for TVs, in particular, was due to production cutbacks on the customer side, but in total, the increase in sales of Photo IPS well offset the decrease in VA sales.

In semiconductors, sales and profits also increased, with sales increased mainly in the advanced materials, and customer operation increased. The JPY0.3 billion increase in fixed costs is due to a net increase in fixed costs and a slight impact from inventory, but in any case, the cost increased about JPY0.3 billion.

Inorganic materials saw an increase in both sales and profit, especially with the growth in SNOWTEX including non-polishing, and polishing.

(¥billion)

	1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Sales	25.7	25.9	+0.2
OP	8.3	8.2	-0.1

Fixed cost & others [1Q] more than outlook ¥0.2 billion

Display Materials	[1Q] Sales & OP slightly below target	
	Photo IPS	Sales above target (large monitor above target)
	Rubbing IPS	Sales above target
	VA	Sales below target

Semis Materials	[1Q] Sales above target, OP slightly below target	
	Mainly advanced materials up Inventory buildup at some customers	
	ARC®	Sales above target
	Multi layer process materials	Sales above target
	EUV materials	Sales above target
Inorganic Materials	3D packaging process materials	Sales below target
	Fixed cost & others more than outlook ¥0.3 billion	

Inorganic Materials	[1Q] Sales below target, OP above target	
	Sales below target in Organo/Monomer Sol and Oilfield materials	
	Fixed cost & others less than outlook ¥ 0.1 billion	

Page 18 is the comparison with the outlook and the figures are as I explained earlier.

In particular, in the semiconductor materials, sales were above the target and operating profit was below the target. The fixed cost and others, mainly inventory, underperformed the target by JPY0.3 billion, which pushed down the profit.

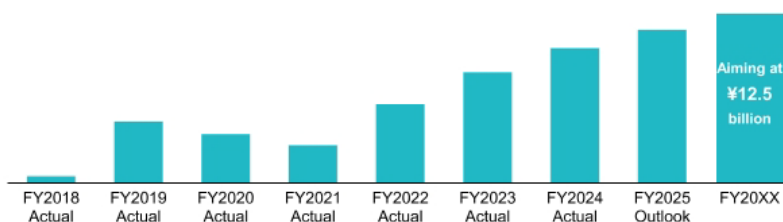
■ 【1Q】 Sales YOY +31%, Sales above target

Main Products (Agro: in order of FY2024 Sales amount)		Types	1Q FY2025 Actual	
			YOY Change	vs. Outlook
Agro	ROUNDUP ¹	Herbicide	-4%	Below
	ALTAIR	Herbicide	+59%	Above
	GRACIA	Insecticide	+3%	Above
	LEIMAY	Fungicide	+138%	Above
	TARGA	Herbicide	+53%	Above
	PERMIT	Herbicide	+24%	Above
	DITHANE	Fungicide	+42%	Above
	VERDAD ²	Herbicide	-	In line
Animal Health	Fluralaner	Animal Health products	+31%	In line
Total Segment ³		-	+31%	Above

1. ROUNDUP AL for general household account for 33% of total ROUNDUP sales (1Q FY2025 Actual)
2. VERDAD was launched in 4Q FY2024
3. Total segment sales include discount

■ GRACIA Sales

- Initial peak sales target of ¥10.0 billion was achieved in FY2024
- Sales target was revised upward to ¥12.5 billion in May 2025



Reference

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

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

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Next, Agrochemicals segment. Please see page 20.

This is the usual table. In 1Q, compared to the same period of the previous year, sales of ROUNDUP were down 4%, but other than that, sales were quite strong in other products.

Also, compared to the outlook, the results were mostly above the outlook, except for the ROUNDUP. In particular, ALTAIR, LEIMAY and TARGA showed strong growth.

In veterinary drugs, YoY comparison shows an increase of 31%, while it is in line with the outlook. As a total segment, sales increased 31% YoY.

(¥billion)

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Sales	20.4	26.6	+6.2
OP	7.0	8.6	+1.6

Fixed cost & others up [1Q] ¥1.3 billion (mainly inventory adjustment cost)

[1Q] Sales & OP up

ROUNDUP	Sales down (ML, AL: volume down due to unfavorable weather)
ALTAIR	Sales up (domestic: increased demand due to a surge in rice prices)
LEIMAY	Sales up (export: sales up due to increased demand in Europe)
TARGA	Sales up (export: sales up due to increased demand in Europe)
Fluralaner	Sales up (API: sales up due to partial shipment shifted from FY2024, royalties: sales down)

1. 1Q FY2024 Actual have been restated based on the new method (see p39)

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Page 21 shows the YoY changes.

The sales and operating profit figures show an increase of JPY6.2 billion and JPY1.6 billion, respectively. As shown in small letters left below the table, the increase in fixed cost and others of JPY1.3 billion is included. As it says that it is mainly inventory adjustment cost, approximately 70% of the JPY1.3 billion was the impact of inventory changes.

By product, as shown below, sales for ALTAIR, LEIMAY, and TARGA have been growing due to an increasing demand. As for Fluralaner, as I may have explained in the last time, there was a delay in some shipments in FY2024, which led to an increase in sales. Royalties represent a slight decrease in revenue.

(¥billion)

	1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Sales	23.2	26.6	+3.4
OP	7.6	8.6	+1.0

[1Q]Sales & OP above target

ROUNDUP	Sales below target (ML, AL: volume down due to unfavorable weather)
ALTAIR	Sales above target (domestic: increased demand due to a surge in rice prices)
GRACIA	Sales above target (export: partial shipment shifted from FY2024)
LEIMAY	Sales above target (export: sales up due to increased demand in Europe)
TARGA	Sales above target (export: sales up due to increased demand in Europe)
Fluralaner	Sales in line with target (API, royalties: sales in line with target)

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The next page, page 22, shows the comparison with the outlook. The result in each products is as described.

As for ROUNDUP, as noted here, there has been a decrease in shipments due to poor weather conditions, and the rainy weather during Golden Week and other periods has had a slight impact. In addition, for GRACIA that shows sales above the target, some shipments for exports have been pushed back since FY2024. The sales for Fluralaner were in line with the target.

- 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)

I. Fluralaner

II. BRAVECTO® for external parasites (Ecto)

III. BRAVECTO® for both internal and external parasites (Endecto)

IV. EXZOLT®



I. Fluralaner

- Invented by Nissan Chemical and supplied to MAH¹ as the active pharmaceutical ingredient of BRAVECTO® and EXZOLT®
- Currently, BRAVECTO® series and EXZOLT® are available in more than 100 countries
- Compound patent
 - Fluralaner's compound patent expires in March 2025, but many countries have the patent term extension system
 - Some EU countries including UK, France, and Germany – already extended to February 2029
 - USA - extended to June 2027

II. BRAVECTO® for Ecto

- Developed and launched by MSD
- Veterinary medical products providing 12 weeks² of continuous protection for dogs and cats against fleas and ticks with immediate effect, nearly 3 times longer than any monthly products in the market.
- Chewable tablet for dogs launched in:
 - April 2014 EU, thereafter, USA, Japan, etc.
 - July 2020 monthly chews for puppies in USA
- Spot-on solution for dogs and cats launched in:
 - July 2016 EU, thereafter, USA, Japan, etc.
- Injectable solution for dogs (BRAVECTO® Quantum)
 - Providing 12 months³ of continuous protection
 - Launched in Australia in June 2024, and thereafter, in Europe, etc.
 - Approved in USA in July 2025

III. BRAVECTO® for Endecto

- BRAVECTO® Plus
 - spot-on solution for cats
 - Launched in EU in July 2018, thereafter, USA, Japan, etc.
- BRAVECTO® TriUNO
 - Three-in-one chewable tablet for dogs
 - Providing 1 month of continuous protection
 - Approved in EU countries and Latin America in October 2024

IV. EXZOLT®

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

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

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

Next, page 24.

We have added the description for Fluralaner. As shown in the last bullet in the box at the middle, an injectable solution for dogs called BRAVECTO Quantum was approved in the US in July.

YOY Change

(\$billion)

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Sales	8.9	9.3	+0.4
Fine Chemicals	3.1	3.4	+0.3
Basic Chemicals	5.8	5.9	+0.1
OP	0.7	0.7	0.0

Fixed cost & others [1Q] up ¥0.1 billion

1. 1Q FY2024 Actual have been restated based on the new method (see p39)

[1Q] Sales up, OP flat

In Fine Chemicals, sales up in FINEOXOCOL and environmental related products.

In Basic Chemicals, OP down due to fixed cost & others up

despite sales up in high purity sulfuric acid (demand increase for semiconductors) and urea/AdBlue®.

Compared to Outlook

(\$billion)

	1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Sales	9.4	9.3	-0.1
Fine Chemicals	3.1	3.4	+0.3
Basic Chemicals	6.3	5.9	-0.4
OP	0.8	0.7	-0.1

[1Q] Sales & OP below target

In Fine Chemicals, sales above target in FINEOXOCOL and environmental related products.

In Basic Chemicals, sales below target in Nitric acid products (plant temporary shutdown due to mechanical trouble in April).

| 27

We will now move on to Chemicals segment. We ask you to jump to page 27.

This shows the YoY comparison and comparison with the outlook in one page. In terms of YoY comparisons, as I mentioned in my comments, in fine chemicals, FINEOXOCOL performed well for cosmetics applications. In addition, sales of environmental related products also increased, mainly in exports.

In basic chemicals, sales of high purity sulfuric acid increased due to higher demand for semiconductors, and sales of urea and AdBlue also increased. However, profits decreased slightly due to an increase in fixed costs and other factors.

In terms of comparison with the outlook, as described in comments, in basic chemical products in particular, there was a temporary plant trouble in April for nitric acid products, which has already been restored. This has caused sales of nitric acid products to underperform the target.

The impact of the plant trouble on operating profit is estimated to be about JPY0.2 billion in 1Q. It is negligible in 2Q and the impact was minimal.

YOY Change

(¥billion)

	1Q FY2024 Actual	1Q FY2025 Actual	YOY Change
Sales	1.5	1.6	+0.1
Healthcare	0.3	0.5	+0.2
Custom Chemicals	1.2	1.1	-0.1
OP	0.6	0.5	-0.1
Healthcare	0.0	0.1	+0.1
Custom Chemicals	0.6	0.4	-0.2

1. Figures are rounded to the nearest 100 million yen. Accordingly, some discrepancies may occur among totals.
2. 1Q FY2024 Actual have been restated based on the new method (see p39).

[1Q] Sales up, OP down

Healthcare sales up(LIVALO export up), Custom Chemicals sales down (customer inventory adjustment)

Compared to Outlook

(¥billion)

	1Q FY2025 Outlook	1Q FY2025 Actual	vs. Outlook
Sales	1.5	1.6	+0.1
Healthcare	0.5	0.5	0.0
Custom Chemicals	1.1	1.1	0.0
OP	0.4	0.5	+0.1
Healthcare	0.1	0.1	0.0
Custom Chemicals	0.3	0.4	+0.1

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

[1Q] Sales & OP above target

Healthcare & Custom Chemicals sales in line with target

| 30

Finally, Healthcare segment. Please jump to page 30.

In both YoY and outlook comparison, changes are mostly JPY0.1 billion each. In Custom chemicals, there was a slight impact of inventory adjustment by customers and profit was slightly decreased YoY but slightly above the target.

E (Environment) S (Social)	April 2021	Announced its Diversity Statement and Diversity Vision
	May 2022	Decided to work on realization of carbon neutrality by 2050 Established new long-term target for reducing greenhouse gas (GHG) emissions(see p35)
	June 2022	Reduced GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)
	June 2022	Established Climate Change Committee
	October 2024	Published " Integrated Report 2024 "
G (Governance)	April 2019	Established Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors
	June 2019	Introduced a performance-linked stock compensation plan called a Board Benefit Trust for Board of Directors, etc.
	June 2022	Announced incorporating ESG indicators into the officers' remuneration system (65% base remuneration, 28% performance-related remuneration, 7% remuneration in stock. Out of the 28% performance-related remuneration, 90% is profit-linked and 10% is ESG-linked.)
	June 2025	Updated and disclosed " Corporate Governance Report "
	June 2025	Two female Outside Directors appointed (re-elected), as a result, the Board of Directors includes 4 Outside Directors out of 10 One female Outside Audit & Supervisory Board Member appointed (newly elected), as a result, the Board of Audit & Supervisory includes 3 Outside Directors out of 4

Please see page 32, ESG Topics.

The bottom line shows that one female auditor was appointed at the general shareholders' meeting held in June. As a result, two of the Board members internally are women, and one of auditors is a woman, making a total of three women.

Changes in calculation methods of OP by segment

- From FY2025, OP by segment is calculated using a new method
- In the new method, some costs of DX and the Planning & Development division, which were previously allocated to each segment, are excluded from the segments and included in "Adjustment"
- The FY2024 Actual have been restated based on the new method, and the impact of this change is outlined below

(¥billion)

	FY2024 Actual (old method basis)					FY2024 Actual (new method basis)					Change				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Chemicals	0.7	-1.1	0.5	0.1	0.2	0.7	-1.0	0.5	0.2	0.4	0.0	+0.1	0.0	+0.1	+0.2
Performance Materials	7.0	7.4	7.9	6.7	29.0	7.1	7.4	8.0	6.8	29.3	+0.1	0.0	+0.1	+0.1	+0.3
Agrochemicals	6.9	7.3	3.7	7.7	25.6	7.0	7.4	3.8	7.7	25.9	+0.1	+0.1	+0.1	0.0	+0.3
Healthcare	0.6	0.7	0.3	0.3	1.9	0.6	0.7	0.4	0.2	1.9	0.0	0.0	+0.1	-0.1	0.0
Healthcare	0.0	0.1	0.1	0.2	0.4	0.0	0.2	0.1	0.1	0.4	0.0	+0.1	0.0	-0.1	0.0
Custom Chemicals	0.6	0.5	0.2	0.2	1.5	0.6	0.5	0.3	0.2	1.6	0.0	0.0	+0.1	0.0	+0.1
Trading	1.0	1.0	1.1	1.0	4.1	1.0	1.0	1.1	1.0	4.1	0.0	0.0	0.0	0.0	0.0
Others	0.1	-0.1	0.1	0.5	0.6	0.1	-0.1	0.1	0.5	0.6	0.0	0.0	0.0	0.0	0.0
Adjustment	-1.9	-1.3	-0.8	-0.6	-4.6	-2.1	-1.5	-1.1	-0.7	-5.4	-0.2	-0.2	-0.3	-0.1	-0.8
Total	14.4	13.9	12.8	15.7	56.8	14.4	13.9	12.8	15.7	56.8	0.0	0.0	0.0	0.0	0.0

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

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

39

Finally, please see page 39. This is a bit detailed, but we list changes in calculation methods of OP by segment. The changes are shown in the figures of FY2024, but in reality, we have been calculating operating profit by segment using this new method since FY2025.

As you can see in the second bullet point at the top of the page, some DX expenses and some expenses of the Planning and Development Division, which should have been attributed to the Planning and Development Division, have been properly reviewed this time. Under the new method, the amount is no longer allocated to each segment as it was before, and instead, it is included in the adjustment in a lump sum.

The table below shows the amount of impact, and if you look at the box in the rightmost column, you will see that there is roughly a JPY0.1 billion to JPY0.2 billion discrepancy in each segment. In the adjusted amount, we will eventually absorb all of that and the total value will remain the same.

For the actual results for FY2024 shown in this document, the new method has already been applied, but I explained the changes for your reference. That's all from me.

Question & Answer

<Questioner 1>

Q: In Agrochemicals, there are many products that are above the outlook. Could you tell us whether there has been any impact from U.S. tariffs, as well as the regional trends in the global market and the impact of soaring rice prices in Japan?

A: The impact of U.S. tariffs is limited because our sales ratio to the U.S. is not significant. As for the global market trends, performance has been favorable in all regions. Regarding soaring rice prices in Japan, we consider this a factor that has boosted farmers' willingness to purchase, and it contributes to strong sales of our rice herbicides, including ALTAIR.

Q: Is the YoY decrease in inventories largely due to Agrochemicals?

A: That's right.

Q: Could you also tell us whether there has been any impact from U.S. tariffs on Performance Materials?

A: There may be some minor impact on display materials, but we consider it limited.

<Questioner 2>

Q: In Agrochemicals, while you mentioned strong sales, is there any risk that distribution inventories have increased?

A: Overseas, particularly in Europe, distribution inventory clearance is progressing, and with increased demand in early spring, our shipments increased. In Japan as well, we conducted a survey of distribution inventory levels in June and confirmed that there are no significant issues.

<Questioner 3>

Q: Regarding semiconductor materials, we hear that the application of EUV for DRAM is shifting to ArF multi-patterning. Could you explain the impact on your company?

A: As you said, there is a partial shift from EUV to ArF multi-patterning in DRAM. While our EUV sales will decline, sales of ArF will increase accordingly, so we do not expect a significant impact.

<Questioner 4>

Q: Regarding semiconductor materials, could you tell us about the situation for EUV materials and 3D packaging materials, including customer trends?

A: For EUV materials, customer foundries are recovering, and our sales results have exceeded the outlook. For 3D packaging materials, both volume and sales are up YoY; however, delays in approval at some customers have led to results falling short of our outlook. Our view that this market will expand in the medium to long term remains unchanged.

[END]