

August 2013

Presentation for Investors

Mizuho Pan-Asia Corporate Day 2013

**Sponsored by Mizuho Securities
in Hong Kong and Singapore
from August 19 to 22, 2013**

Nissan Chemical Industries (NCI)

◆ R&D oriented chemical company

- *FY2012 R&D expenses/sales: NCI **8.9%**
(1st among 31 chemical companies)
31 companies average **4.2%**
*FY2012 = 1 Apr 2012 - 31 Mar 2013

- 41% of profession staff assigned to R&D centers

◆ Core business

- Electronic Materials, Organic/Inorganic Materials, Agrochemicals, Pharmaceuticals
- Diversified product portfolio, products holding strong market positions

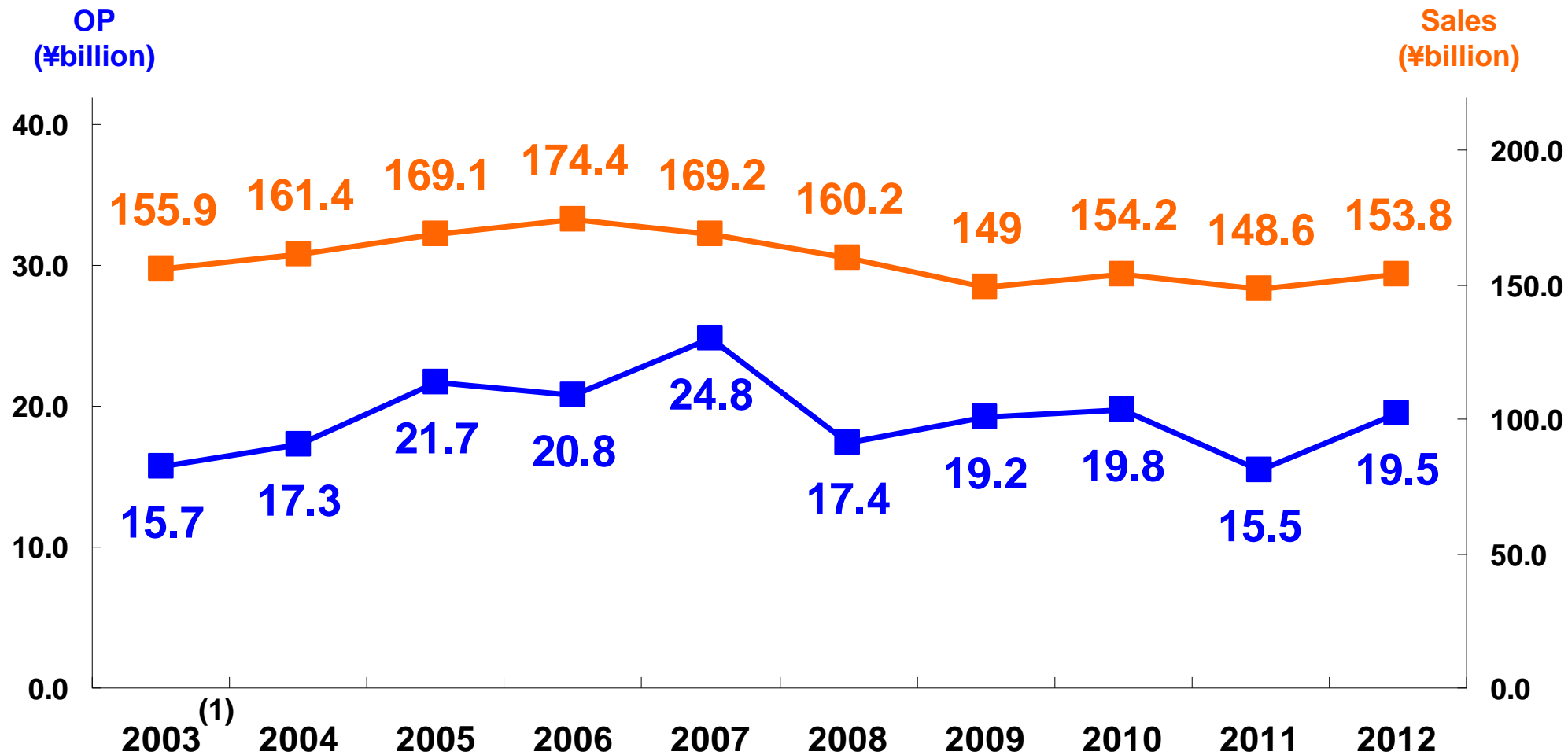
◆ Priority on OP margin and ROE

- OP margin (FY2012) **12.7%**
- ROE (FY2012) **11.4%** (1st among 31 chemical companies)

◆ Recording stable profits despite cyclical nature of chemical sector

- Only two companies recorded more than 10% OP margin
in ten consecutive years (FY2003-2012) among 31 companies
- FY2007-2012 Average ROE **11.9%**

Long-term Financial Performance Trend



(1) 2003 = From April 1, 2003 to March 31, 2004

Long Term Financial Performance Trend

(¥ billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8
Operating Profit	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5	19.5
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9	29.0
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%
ROE(%)	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%
EPS(¥)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26
Purchase of treasury shares	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0
Net Assets	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6	126.7
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9
Liabilities with interest	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9	38.1
D/E ratio (1)	78.0%	53.7%	38.5%	23.2%	27.2%	37.1%	26.0%	16.9%	9.3%	5.0%
Equity ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	8.1
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5
R&D Expenses	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6	13.7
R&D Expenses/Sales(%)	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%
Number of employees (parent company)	1,505	1,502	1,502	1,558	1,614	1,657	1,710	1,750	1,730	1,726

(1) D/E ratio = (Borrowings - Cash) / Shareholders' equity (%)

New Segmentation (From 2Q 2011)

◆ Reflecting organizational changes implemented in June 2011

◆ Major organizational change

Creation of Performance Materials Division to consolidate Electronic Materials Division and Inorganic Materials Division aiming to strengthen performance materials business which is identified as our major growth engine

◆ Major changes in segmentation

Creation of Performance Materials → Electronic Materials + Inorganic Materials

Change in Chemicals → Inorganic Materials shifted to Performance Materials

Creation of Fine Chemicals subsegment, abolishment of Organic Materials subsegment

Environmental Chemicals (HI-LITE) shifted from basic Chemicals to Fine Chemicals

Former Segmentation		
Segment	Main Products	
Chem	Organic Materials	TEPIC Melamine cyanurate Custom Chemicals
	Inorganic Materials	SNOWTEX Organo sillica sol Alumina sol SUNCOLLOID CELNAX
	Basic Chemicals	Melamine Urea, AdBlue HI-LITE Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Electronic Materials	SUNEVER, BARC NHC Multi layer process materials Micro lens	
Agro Chem	Agro	Herbicides Insecticides Fungicide
Pharma	LIVALO	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	



New Segmentation		
Segment	Main Products	
Chem	Fine Chemicals	TEPIC Melamine cyanurate HI-LITE Custom Chemicals
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Performance Materials	SUNEVER, BARC, NHC, Multi layer process materials Micro lens SNOWTEX, Organo sillica sol Alumina sol, SUNCOLLOID CELNAX	
Agro Chem	Agro	Herbicides Insecticides Fungicide
Pharma	LIVALO	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	

Diversified Product Portfolio

◆ Consisting of products holding strong position in market

(¥ billion)

NCI's Position

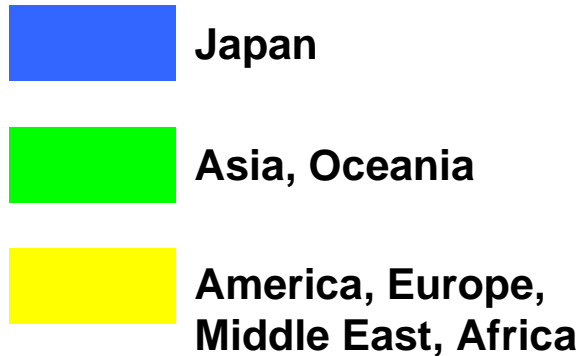
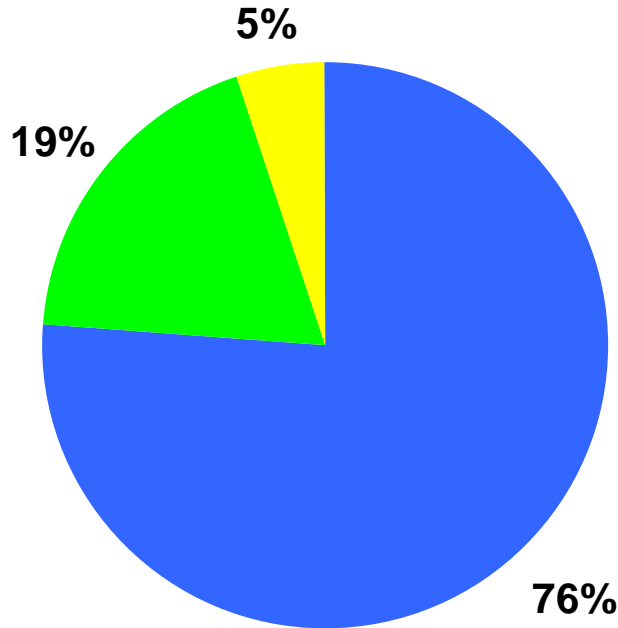
Chem	FY2012 Sales			NCI's Position
Fine Chemicals	11.2 (7.3%)	TEPIC	Epoxy compound for painting, LED sealant, solder resist	Largest (World)
		High purity sulfuric acid	Agents for cleaning semiconductors	Largest (Japan)
Basic Chemicals	25.4 (16.5%)	AdBlue	Urea to reduce NOx for diesel trucks	Among top 3 (Japan)
		SUNEVER	LCD alignment coating	Major (Asia)
Performance Materials	37.4 (24.3%)	BARC	Bottom-anti-reflective coating for semiconductor	Largest (Asia)
		SNOWTEX	Silica sol for polishing silicon wafer, catalyst, non-chrome electrical steel sheet, etc.	Largest (Japan)
Agro	35.4 (23.0%)	ROUNDUP	Non-selective herbicide	Largest (Japan)
Pharma	10.6 (6.9%)	SIRIUS	Paddy rice herbicide	No.3 (Japan)
		LIVALO	Anti-cholesterol drug	No.3 (Japan)
Trading	46.6 (30.3%)			
Others	21.2 (13.8%)			

FY2012 Global Sales Distribution

< Company Total* >

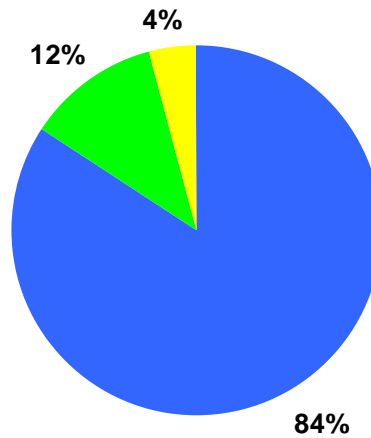
*before elimination of intersegment transactions

Sales: ¥187.8 billion



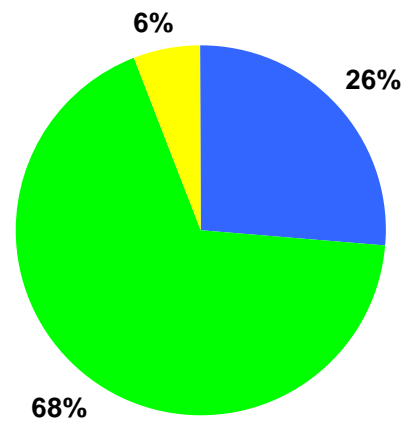
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Sales: ¥36.6 billion



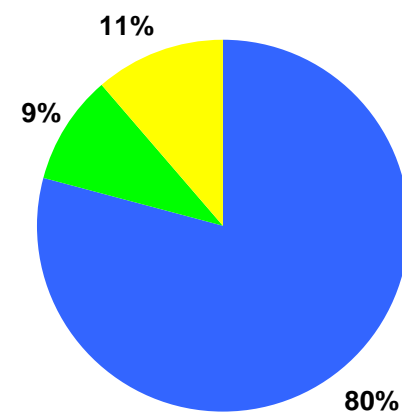
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Sales: ¥37.4 billion



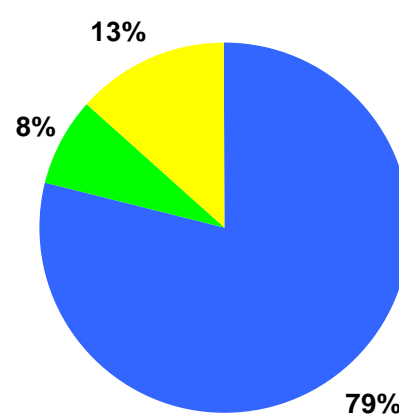
< Agro >

Sales: ¥35.4 billion



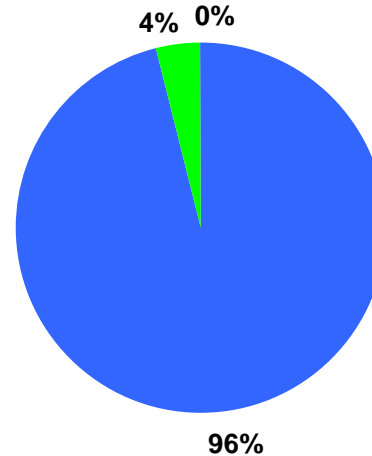
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Sales: ¥10.6 billion



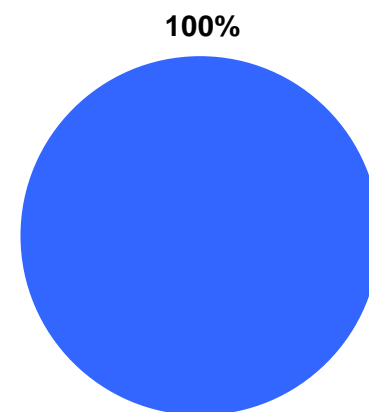
< Trading >

Sales: ¥46.6 billion



< Others >

Sales: ¥21.2 billion



Sales and Operating Profit by New Segmentation

(¥ billion)

		FY2010		FY2011		FY2012		FY2013E	
SALES (A)	Chemicals	38.1	24.7%	36.9	24.8%	36.6	23.8%	37.6	24.1%
	Performance M.	38.0	24.6%	34.0	22.9%	37.4	24.3%	39.9	25.6%
	Agro	34.4	22.3%	33.8	22.7%	35.4	23.0%	36.2	23.2%
	Pharma	9.6	6.2%	10.0	6.7%	10.6	6.9%	10.1	6.5%
	Trading	44.1	28.6%	44.8	30.1%	46.6	30.3%	48.7	31.2%
	Others	27.0	17.5%	20.0	13.5%	21.2	13.8%	21.3	13.7%
	Adjustment	-37.0	-24.0%	-30.9	-20.8%	-34.0	-22.1%	-37.8	-24.2%
	Total	154.2	100%	148.6	100%	153.8	100%	156.0	100%

		FY2011		FY2012	
R&D expense/sales	Chemicals	0.8	2.2%	0.7	1.9%
	Performance M.	6.2	18.2%	6.5	17.4%
	Agro	2.8	8.3%	3.0	8.5%
	Pharma	2.5	25.0%	2.3	21.7%
	Trading	0.0	0.0%	0.0	0.0%
	Others	1.3	6.5%	1.2	5.7%
	-	-	-	-	-
	Total	13.6	9.2%	13.7	8.9%

OP (B)	Chemicals	2.4	12.1%	1.6	10.3%	1.9	9.7%	2.6	12.7%
	Performance M.	7.9	39.9%	4.8	31.0%	7.2	36.9%	7.2	35.3%
	Agro	4.8	24.2%	4.4	28.4%	5.0	25.6%	5.2	25.5%
	Pharma	4.4	22.2%	4.6	29.7%	5.2	26.7%	4.9	24.0%
	Trading	1.4	7.1%	1.3	8.4%	1.4	7.2%	1.4	6.9%
	Others	1.0	5.1%	0.3	1.9%	0.7	3.6%	0.4	2.0%
	Adjustment	-2.1	-10.6%	-1.5	-9.7%	-1.9	-9.7%	-1.3	-6.4%
	Total	19.8	100%	15.5	100%	19.5	100%	20.4	100%

Segment Assets (D)	Chemicals	31.6	16.6%	30.3	15.2%
	Performance M.	31.5	16.6%	34.3	17.2%
	Agro	44.6	23.5%	46.7	23.4%
	Pharma	12.4	6.5%	11.3	5.7%
	Trading	16.5	8.7%	17.3	8.7%
	Others	9.5	5.0%	9.2	4.6%
	Common Assets	44.0	23.1%	50.1	25.2%
	Total	190.1	100%	199.2	100%

OP Margin (C) = (B)/(A)	Chemicals	6.3%	4.3%	5.2%	6.9%
	Performance M.	20.8%	14.1%	19.3%	18.0%
	Agro	14.0%	13.0%	14.1%	14.4%
	Pharma	45.8%	46.0%	49.1%	48.5%
	Trading	3.2%	2.9%	3.0%	2.9%
	Others	3.7%	1.5%	3.3%	1.9%
	Total	12.9%	10.4%	12.7%	13.1%

ROA (E) = (B)/(D)	Chemicals	5.0%	6.3%
	Performance M.	15.2%	20.9%
	Agro	9.9%	10.8%
	Pharma	37.1%	46.4%
	Trading	7.9%	7.8%
	Others	3.2%	7.5%
	Total	8.1%	9.8%

FY2012 PL⁽¹⁾

(¥billion)

	FY2011			FY2012			Change			FY2012 Outlook as of October 2012		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H E	Total
Sales	69.8	78.8	148.6	71.1	82.7	153.8	1.3	3.9	5.2	71.1	83.9	155.0
Operating Profit	6.6	8.9	15.5	8.6	10.9	19.5	2.0	2.0	4.0	8.6	10.0	18.6
Non-Operating Income/Expenses	-0.1	0.5	0.4	-0.2	1.2	1.0	-0.1	0.7	0.6	-0.2	0.2	0.0
Ordinary Income	6.5	9.4	15.9	8.4	12.1	20.5	1.9	2.7	4.6	8.4	10.2	18.6
Extraordinary Profit/Loss	-	0.7	0.7	-	-	-	-	-0.7	-0.7	-	-	-
Net Income	4.4	6.6	11.0	5.6	8.3	13.9	1.2	1.7	2.9	5.6	7.0	12.6
EBITDA (2)	11.5	14.4	25.9	13.0	16.0	29.0	1.5	1.6	3.1	13.0	15.1	28.1
EPS (¥)	25.88	38.64	64.52	33.63	50.11	83.74	7.75	11.47	19.22	33.63	43.32	76.95
Dividend (¥/share)	¥12	¥12	¥24	¥12	¥14	¥26	¥0	¥2	¥2	¥12	¥12	¥24
Total amount of Dividend	2.1	2.0	4.1	2.0	2.3	4.3	-0.1	0.3	0.2	2.0	2.0	4.0
OP Margin(%)	9.4%	11.3%	10.4%	12.1%	13.3%	12.7%	2.7%	2.0%	2.3%	12.1%	11.9%	12.0%
ROE(%)	/	/	9.5%	/	/	11.4%	/	/	1.9%	/	/	/
FX Rate (¥/\$)	80	82		79	87					79	79	
Naphtha(¥/KL) (3)	57,000	52,800		54,800	59,800					55,500	49,000	
Comprehensive Income	/	/	11.5	/	/	16.1						

(1) FY2012 = April 1, 2012 - March 31, 2013

(2) EBITDA = Operating Profit + Depreciation

(3) Based on Trade Statistics of Japan Ministry of Finance

2H FY2012 Review

<vs. 2H FY2011>

(Sales) ◆Up ¥3.9 billion (+5.0 %) (+) All Segments

(OP) ◆Up ¥2.0 billion (+23.1%) (+) All Segments

(Ordinary Income) ◆Up ¥2.7 billion (+29.4 %)

(Net Income) ◆Up ¥1.7 billion (+25.5%)

<vs. 2H FY2012 Outlook as of October 2012>

(Sales) ◆Down ¥1.2 billion (+) Agrochemicals, Pharmaceuticals
(-) Chemicals, Performance Materials, Trading

(OP) ◆Up ¥0.9 billion (+) Performance Materials, Agrochemicals, Pharmaceuticals
(-) Chemicals, Trading

(Ordinary Income) ◆Up ¥1.9 billion

(Net Income) ◆Up ¥1.3 billion

<Dividend> ◆¥14/share (up ¥2 vs. Outlook as of October 2012 and 2H FY2011)

FY2012 Review

<vs. FY2011>

(Sales) ◆Up ¥5.2 billion (+3.5%) (+) Performance Materials , Agrochemicals, Pharmaceuticals, Trading
(-) Chemicals

(OP) ◆Up ¥4.0 billion (+26.3%) (+) All Segments

(OP Margin) ◆12.7% More than 10% OP Margin in ten consecutive years since FY2003

(Non-Operating Income and Expenses) ◆Up ¥0.6 billion Foreign exchange profits +0.4
Equity in earnings of affiliates +0.2

(Ordinary Income) ◆Up ¥4.6 billion (+29.1%)

(Net Income) ◆Up ¥2.9 billion (+26.5%)

(ROE) ◆11.4% (FY2011 9.5%)

<Dividend and Purchase of Treasury Shares>

(Dividend) ◆¥26/share Dividend payout ratio 31.0%

(Purchase of Treasury Shares) ◆¥5.0 billion Between May and August 2012

FY2012

Non-Operating Income/Expenses, Extraordinary Profit/Loss, Comprehensive Income

(¥billion)

	FY2011	FY2012	Change
Non-Operating Income	2.28	2.60	0.32
Interest income	0.03	0.02	-0.01
Dividend income	0.56	0.58	0.02
Others	1.69	2.00	0.31
Non-Operating Expenses	1.89	1.66	-0.23
Interest expense	0.45	0.34	-0.11
Loss on disposal of fixed assets	0.24	0.36	0.12
Others	1.20	0.96	-0.24
Extraordinary Profit (1)	0.65	0.00	-0.65
Extraordinary Loss	0.00	0.00	0.00
Comprehensive Income	11.48	16.13	4.65
Net income	10.98	13.88	2.90
Minority interests	0.08	0.14	0.06
Unrealized gains or losses on investment securities	0.58	1.52	0.94
Foreign currency translation adjustments	-0.16	0.59	0.75

(1) FY2011 : Gain on sales of business 0.65

FY2012 Cash Flows

(¥billion)

	FY2011			FY2012			Change			FY2012 Outlook as of October 2012		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	2H E	Total
CF from operating activities	20.4	0.9	21.3	21.9	0.9	22.8	1.5	0.0	1.5	21.9	0.8	22.7
Profit before income tax	6.5	10.0	16.5	8.4	12.1	20.5	1.9	2.1	4.0	8.4	10.2	18.6
Depreciation & Amortization	4.9	5.6	10.5	4.4	5.1	9.5	-0.5	-0.5	-1.0	4.4	5.1	9.5
Tax	-3.1	-2.9	-6.0	-1.9	-2.5	-4.4	1.2	0.4	1.6	-1.9	-2.6	-4.5
Working capital, others	12.1	-11.8	0.3	11.0	-13.8	-2.8	-1.1	-2.0	-3.1	11.0	-11.9	-0.9
CF from investing activities	-6.3	-3.0	-9.3	-4.8	-4.5	-9.3	1.5	-1.5	0.0	-4.8	-6.2	-11.0
Purchase of investments in securities	-0.9	0.1	-0.8	-0.1	0.0	-0.1	0.8	-0.1	0.7	-0.1	0.0	-0.1
Purchase of PPE	-4.9	-3.8	-8.7	-3.9	-4.1	-8.0	1.0	-0.3	0.7	-3.9	-6.5	-10.4
Others	-0.5	0.7	0.2	-0.8	-0.4	-1.2	-0.3	-1.1	-1.4	-0.8	0.3	-0.5
CF from financing activities	-9.6	4.5	-5.1	-22.6	12.8	-9.8	-13.0	8.3	-4.7	-22.6	12.5	-10.1
Dividends paid	-2.0	-2.1	-4.1	-2.0	-2.0	-4.0	0.0	0.1	0.1	-2.0	-2.0	-4.0
Borrowings	-7.5	6.5	-1.0	-15.5	14.7	-0.8	-8.0	8.2	0.2	-15.5	14.5	-1.0
Purchase of treasury shares	0.0	0.0	0.0	-5.0	0.0	-5.0	-5.0	0.0	-5.0	-5.0	0.0	-5.0
Others	-0.1	0.1	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Effect of FX rate changes on cash & cash equivalents	-0.4	0.3	-0.1	-0.1	0.4	0.3	0.3	0.1	0.4	-0.1	0.0	-0.1
Change in cash & cash equivalents	4.1	2.7	6.8	-5.6	9.6	4.0	-9.7	6.9	-2.8	-5.6	7.1	1.5
Cash & cash equivalents at end of period	25.2	27.9		22.3	31.9		-2.9	4.0		22.3	29.4	

FY2012 Balance Sheets

(¥billion)

	2012/3	2013/3	Change
Current assets	118.4	125.9	7.5
Cash	27.9	31.9	4.0
Accounts receivable	55.5	56.7	1.2
Inventories	29.4	30.6	1.2
Others	5.6	6.7	1.1
Fixed assets	71.7	73.3	1.6
Total PPE	44.7	44.0	-0.7
Intangible assets	2.8	2.0	-0.8
Investment securities	22.3	24.9	2.6
Others	1.9	2.4	0.5
Total assets	190.1	199.2	9.1

	2012/3	2013/3	Change
Liabilities	70.5	72.5	2.0
Accounts payable	17.3	17.4	0.1
Borrowings	38.9	38.1	-0.8
Others	14.3	17.0	2.7
Net assets	119.6	126.7	7.1
Shareholders' equity	118.0	122.9	4.9
Unrealized gains or losses on investment securities	2.0	3.5	1.5
Foreign currency translation adjustments	-1.4	-0.8	0.6
Minority interests	1.0	1.1	0.1
Total liabilities & Net assets	190.1	199.2	9.1

(D/E Ratio)(1) 9.3% 5.0%
 (Equity Ratio) 62.4% 63.0%

(1)D/E Ratio = (Borrowings - Cash) / Shareholders' equity

FY2013 Outlook as of May 2013

(¥billion)

	FY2012			FY2013 E			Change		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Sales	71.1	82.7	153.8	72.0	84.0	156.0	0.9	1.3	2.2
Operating Profit	8.6	10.9	19.5	8.7	11.7	20.4	0.1	0.8	0.9
Non-Operating Income/Expenses	-0.2	1.2	1.0	0.1	0.5	0.6	0.3	-0.7	-0.4
Ordinary Income	8.4	12.1	20.5	8.8	12.2	21.0	0.4	0.1	0.5
Extraordinary Profit/Loss	-	-	-	-	-	-	-	-	-
Net Income	5.6	8.3	13.9	6.3	8.6	14.9	0.7	0.3	1.0
EBITDA (1)	13.0	16.0	29.0	12.9	16.3	29.2	-0.1	0.3	0.2
EPS (¥)	33.63	50.11	83.74	38.48	52.52	91.00	4.85	2.41	7.26
Dividend (¥/share)	¥12	¥14	¥26	¥12	¥14	¥26	¥0	¥0	¥0
Total amount of Dividend	2.0	2.3	4.3	2.0	2.3	4.3	0.0	0.0	0.0
OP Margin(%)	12.1%	13.3%	12.7%	12.1%	13.9%	13.1%	0.0%	0.6%	0.4%
ROE(%)	/	/	11.4%	/	/	11.4%	/	/	0.0%
FX Rate (¥/\$)	79	87		85	85				
Naphtha(¥/kl) (2)	54,800	59,800		61,000	61,000				
Comprehensive income	/	/	16.1						

(1) EBITDA = Operating Profit + Depreciation

(2) Based on Trade Statistics of Japan Ministry of Finance

FY2013 Outlook as of May 2013

<vs. FY2012>

(Sales) ◆ Up ¥2.2 billion (+1.4%) (+) Chemicals, Performance Materials, Agrochemicals, Trading
(-) Pharmaceuticals

(OP) ◆ Up ¥0.9 billion (+4.4%) (+) Chemicals, Agrochemicals
(±) Performance Materials, Trading
(-) Pharmaceuticals

(Non-Operating Income and Expenses) ◆ Down ¥0.4 billion

(Ordinary Income) ◆ Up ¥0.5 billion (+2.5%)

(Net Income) ◆ Up ¥1.0 billion (+7.4%)

<Dividend> ◆¥12/share for 1H, ¥14/share for 2H (same as FY2012)

FY2013 Cash Flows Outlook as of May 2013

(¥billion)

	FY2012	FY2013 E
CF from operating activities	22.8	20.0
Profit before income tax	20.5	21.0
Depreciation & Amortization	9.5	8.8
Tax	-4.4	-6.7
Working capital, others	-2.8	-3.1
CF from investing activities	-9.3	-11.6
Purchase of PPE	-8.0	-9.5
Others	-1.3	-2.1
CF from financing activities	-9.8	-6.3
Dividends paid	-4.0	-4.3
Borrowings	-0.8	-2.0
Purchase of treasury shares	-5.0	0.0
Others	0.0	0.0
Effect of FX rate changes on cash & cash equivalents	0.3	0.0
Change in cash & cash equivalents	4.0	2.1
Cash & cash equivalents at end of period	31.9	34.0

FY2012 Sales by Segment

(¥billion)

	FY2011			FY2012			Change		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Chem	18.6	18.3	36.9	17.9	18.7	36.6	-0.7	0.4	-0.3
Fine Chemicals	5.9	5.0	10.9	5.6	5.6	11.2	-0.3	0.6	0.3
Basic Chemicals	12.7	13.3	26.0	12.3	13.1	25.4	-0.4	-0.2	-0.6
Performance Materials	17.0	17.0	34.0	18.8	18.6	37.4	1.8	1.6	3.4
Agro	12.5	21.3	33.8	13.4	22.0	35.4	0.9	0.7	1.6
Pharma	5.2	4.8	10.0	5.3	5.3	10.6	0.1	0.5	0.6
Trading	22.5	22.3	44.8	22.7	23.9	46.6	0.2	1.6	1.8
Others	9.3	10.7	20.0	10.2	11.0	21.2	0.9	0.3	1.2
Adjustment	-15.3	-15.6	-30.9	-17.2	-16.8	-34.0	-1.9	-1.2	-3.1
Total	69.8	78.8	148.6	71.1	82.7	153.8	1.3	3.9	5.2

FY2012 Outlook as of October 2012		
1H	2HE	Total
17.9	19.6	37.5
5.6	6.2	11.8
12.3	13.4	25.7
18.8	18.9	37.7
13.4	21.7	35.1
5.3	4.3	9.6
22.7	25.3	48.0
10.2	11.5	21.7
-17.2	-17.4	-34.6
71.1	83.9	155.0

FY2012 OP by Segment

	FY2011			FY2012			Change		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Chem	0.8	0.8	1.6	0.8	1.1	1.9	0.0	0.3	0.3
Performance Materials	2.6	2.2	4.8	4.1	3.1	7.2	1.5	0.9	2.4
Agro	0.8	3.6	4.4	1.3	3.7	5.0	0.5	0.1	0.6
Pharma	2.6	2.0	4.6	2.6	2.6	5.2	0.0	0.6	0.6
Trading	0.7	0.6	1.3	0.7	0.7	1.4	0.0	0.1	0.1
Others	0.0	0.3	0.3	0.1	0.6	0.7	0.1	0.3	0.4
Adjustment	-0.9	-0.6	-1.5	-1.0	-0.9	-1.9	-0.1	-0.3	-0.4
Total	6.6	8.9	15.5	8.6	10.9	19.5	2.0	2.0	4.0

(¥billion)

FY2012 Outlook as of October 2012		
1H	2HE	Total
0.8	1.7	2.5
4.1	2.6	6.7
1.3	3.5	4.8
2.6	1.7	4.3
0.7	0.8	1.5
0.1	0.4	0.5
-1.0	-0.7	-1.7
8.6	10.0	18.6

FY2013 Sales Outlook by Segment as of May 2013

(¥billion)

	FY2012			FY2013 E			Change		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Chem	17.9	18.7	36.6	17.9	19.7	37.6	0.0	1.0	1.0
Fine Chemicals	5.6	5.6	11.2	5.8	6.2	12.0	0.2	0.6	0.8
Basic Chemicals	12.3	13.1	25.4	12.1	13.5	25.6	-0.2	0.4	0.2
Performance Materials	18.8	18.6	37.4	19.6	20.3	39.9	0.8	1.7	2.5
Agro	13.4	22.0	35.4	13.4	22.8	36.2	0.0	0.8	0.8
Pharma	5.3	5.3	10.6	5.6	4.5	10.1	0.3	-0.8	-0.5
Trading	22.7	23.9	46.6	23.7	25.0	48.7	1.0	1.1	2.1
Others	10.2	11.0	21.2	9.8	11.5	21.3	-0.4	0.5	0.1
Adjustment	-17.2	-16.8	-34.0	-18.0	-19.8	-37.8	-0.8	-3.0	-3.8
Total	71.1	82.7	153.8	72.0	84.0	156.0	0.9	1.3	2.2

FY2013 OP Outlook by Segment as of May 2013

(¥billion)

	FY2012			FY2013 E			Change		
	1H	2H	Total	1H	2H	Total	1H	2H	Total
Chem	0.8	1.1	1.9	0.9	1.7	2.6	0.1	0.6	0.7
Performance Materials	4.1	3.1	7.2	3.5	3.7	7.2	-0.6	0.6	0.0
Agro	1.3	3.7	5.0	1.4	3.8	5.2	0.1	0.1	0.2
Pharma	2.6	2.6	5.2	2.9	2.0	4.9	0.3	-0.6	-0.3
Trading	0.7	0.7	1.4	0.6	0.8	1.4	-0.1	0.1	0.0
Others	0.1	0.6	0.7	0.0	0.4	0.4	-0.1	-0.2	-0.3
Adjustment	-1.0	-0.9	-1.9	-0.6	-0.7	-1.3	0.4	0.2	0.6
Total	8.6	10.9	19.5	8.7	11.7	20.4	0.1	0.8	0.9

1Q FY2013 Financial Performance

(¥billion)

		1Q FY2012	1Q FY2013	Change	
Sales	Chem	9.1	9.5	0.4	
	Fine Chemicals	2.9	2.9	0.0	
	Basic Chemicals	6.2	6.6	0.4	
	Performance Materials	9.5	10.3	0.8	
	Agro	8.3	9.9	1.6	
	Pharma	3.5	2.9	-0.6	
	Trading	11.9	12.7	0.8	
	Others	3.9	4.6	0.7	
	Adjustment	-7.8	-9.7	-1.9	
	Total	38.4	40.2	1.8	+4.7%
OP	Chem	0.8	0.8	0.0	
	Performance Materials	2.1	2.1	0.0	
	Agro	1.6	2.3	0.7	
	Pharma	1.9	1.6	-0.3	
	Trading	0.4	0.4	0.0	
	Others	-0.1	0.1	0.2	
	Adjustment	-0.4	-0.6	-0.2	
		Total	6.3	6.7	0.4
Non-Operating Income/Expenses	Equity in earnings of affiliates	0.1	0.3	0.2	
	Others (net)	0.1	0.6	0.5	
	Total	0.2	0.9	0.7	
Ordinary Income		6.5	7.6	1.1	
Net Income		4.3	5.2	0.9	+21.4%
EBITDA (1)		8.4	8.7	0.3	
EPS (¥)		25.14	31.58		
OP Margin		16.5%	16.7%		
Naphtha (¥/KL) (2)		60,600	65,500		

(1) EBITDA = Operating Profit + Depreciation

(2) Based on Trade Statistics of Japan Ministry of Finance

1Q FY2013 Review

<vs. 1Q FY2012>

(Sales) ◆ Up ¥1.8 billion (+4.7%) (+) Chemicals, Performance Materials, Agrochemicals, Trading
(-) Pharmaceuticals

(OP) ◆ Up ¥0.4 billion (+6.1%) (+) Agrochemicals
(±) Chemicals, Performance Materials, Trading
(-) Pharmaceuticals

(Non-Operating Income and Expenses) ◆ Up ¥0.7 billion

(Ordinary Income) ◆ Up ¥1.1 billion (+17.0%)

(Net Income) ◆ Up ¥0.9 billion (+21.4%)

<Dividend> ◆¥12/share for 1H, ¥14/share for 2H(same as FY2012)

1Q FY2013 Balance Sheets

(¥billion)

	2012/6	2013/3	2013/6
Current assets	113.3	125.9	117.1
Cash	20.3	31.9	24.8
Accounts receivable	54.8	56.7	56.3
Inventories	30.3	30.6	31.1
Others	7.9	6.7	4.9
Fixed assets	72.0	73.3	77.8
Total PPE	44.9	44.0	43.8
Intangible assets	2.5	2.0	1.8
Investment securities	21.8	24.9	30.6
Others	2.8	2.4	1.6
Total assets	185.3	199.2	194.9

	2012/6	2013/3	2013/6
Liabilities	65.7	72.5	63.8
Accounts payable	16.4	17.4	16.5
Borrowings	35.5	38.1	33.0
Others	13.8	17.0	14.3
Net assets	119.6	126.7	131.1
Shareholders' equity	118.5	122.9	125.7
Unrealized gains or losses on investment securities	1.6	3.5	4.9
Foreign currency translation adjustments	-1.4	-0.8	-0.7
Minority interests	0.9	1.1	1.2
Total liabilities & Net assets	185.3	199.2	194.9

(D/E Ratio)(1) 12.9% 5.0% 6.5%

(Equity Ratio) 64.0% 63.0% 66.7%

(1)D/E Ratio = (Borrowings - Cash) / Shareholders' equity

1H FY2013 Outlook revised on July 30, 2013

(¥billion)

	FY2012	FY2013E		Change	
	1H	1H	1H	1H	1H
		as of May 2013	as of July 2013	as of May 2013	as of July 2013
Sales	71.1	72.0	75.0	0.9	3.9
Operating Profit	8.6	8.7	9.5	0.1	0.9
Non-Operating Income/Expenses	-0.2	0.1	0.3	0.3	0.5
Ordinary Income	8.4	8.8	9.8	0.4	1.4
Extraordinary Profit/Loss	-	-	-	-	-
Net Income	5.6	6.3	7.0	0.7	1.4
EPS (¥)	33.63	38.48	42.75	4.85	9.12
Dividend (¥/share)	¥12	¥12	¥12	¥0	¥0
Total amount of Dividend	2.0	2.0	2.0	0.0	0.0
OP Margin(%)	12.1%	12.1%	12.7%	0.0%	0.6%

1H FY2013 Outlook revised on July 30, 2013

- In 1Q, sales of main products overall have exceeded the previous forecast announced on May 14, 2013
- In 2Q, sales are expected to remain steady.
- FY2013 full year Outlook unchanged due to uncertain business environments in 2H

1H FY2013 Sales Outlook by Segment revised on July 30, 2013

(¥billion)

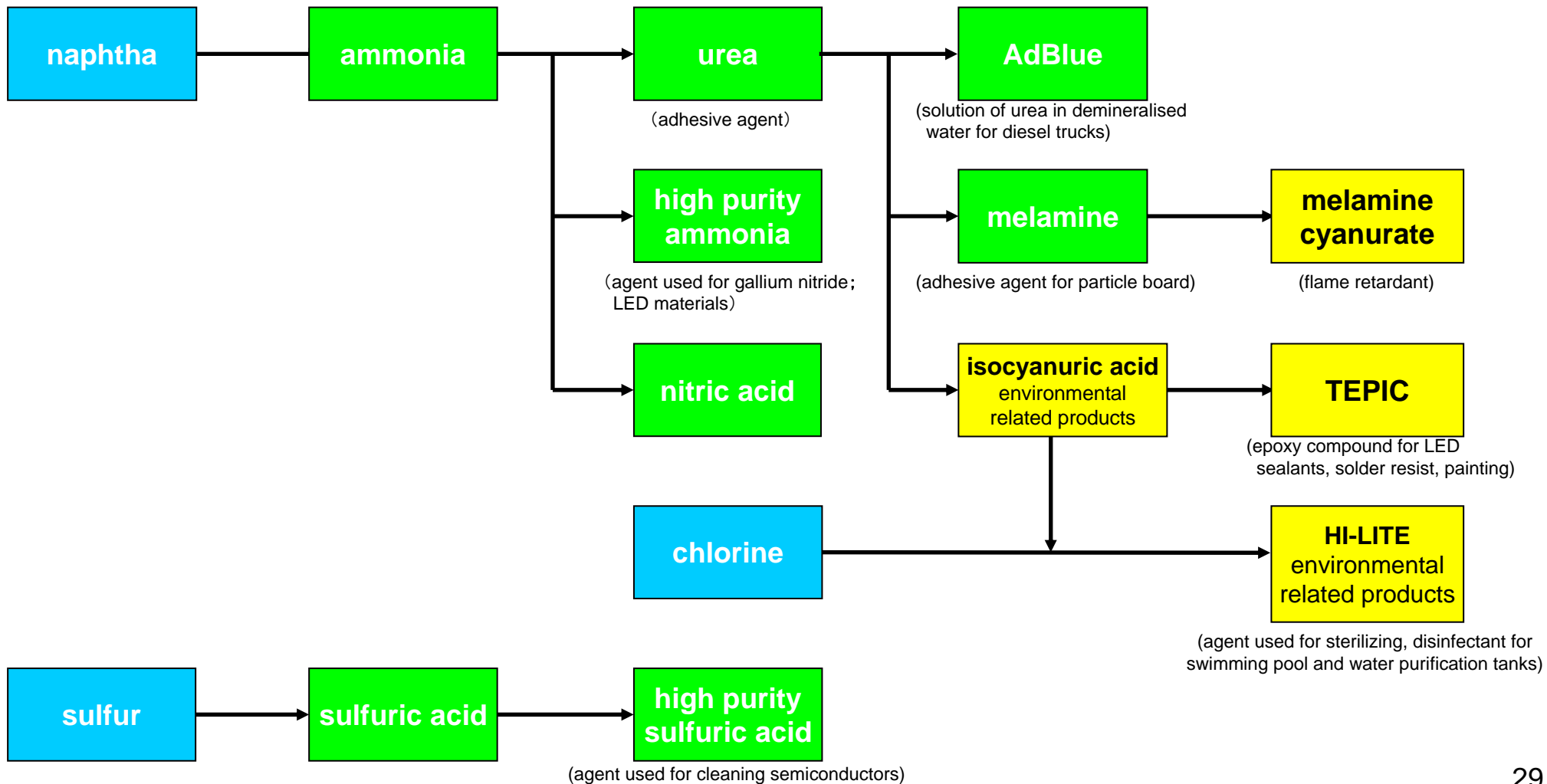
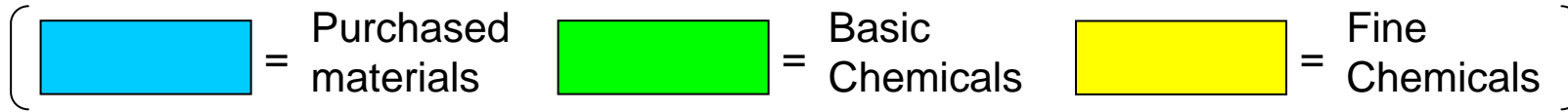
	1H FY2012			1H FY2013 E Revised on July 30, 2013			Change			1H FY2013 E as of May 2013 1H E
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1Q Actual	2Q E	1H E	
Chem	9.1	8.8	17.9	9.5	9.3	18.8	0.4	0.5	0.9	17.9
Fine Chemicals	2.9	2.7	5.6	2.9	-	-	0.0	-	-	5.8
Basic Chemicals	6.2	6.1	12.3	6.6	-	-	0.4	-	-	12.1
Performance Materials	9.5	9.3	18.8	10.3	10.1	20.4	0.8	0.8	1.6	19.6
Agro	8.3	5.1	13.4	9.9	4.6	14.5	1.6	-0.5	1.1	13.4
Pharma	3.5	1.8	5.3	2.9	2.8	5.7	-0.6	1.0	0.4	5.6
Trading	11.9	10.8	22.7	12.7	11.0	23.7	0.8	0.2	1.0	23.7
Others	3.9	6.3	10.2	4.6	5.2	9.8	0.7	-1.1	-0.4	9.8
Adjustment	-7.8	-9.4	-17.2	-9.7	-8.2	-17.9	-1.9	1.2	-0.7	-18.0
Total	38.4	32.7	71.1	40.2	34.8	75.0	1.8	2.1	3.9	72.0

1H FY2013 OP Outlook by Segment revised on July 30, 2013

	1H FY2012			1H FY2013 E Revised on July 30, 2013			Change			(¥billion)
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1Q Actual	2Q E	1H E	1H FY2013 E as of May 2013 1H E
Chem	0.8	0.0	0.8	0.8	0.2	1.0	0.0	0.2	0.2	0.9
Performance Materials	2.1	2.0	4.1	2.1	1.7	3.8	0.0	-0.3	-0.3	3.5
Agro	1.6	-0.3	1.3	2.3	-0.6	1.7	0.7	-0.3	0.4	1.4
Pharma	1.9	0.7	2.6	1.6	1.4	3.0	-0.3	0.7	0.4	2.9
Trading	0.4	0.3	0.7	0.4	0.2	0.6	0.0	-0.1	-0.1	0.6
Others	-0.1	0.2	0.1	0.1	-0.1	0.0	0.2	-0.3	-0.1	0
Adjustment	-0.4	-0.6	-1.0	-0.6	0.0	-0.6	-0.2	0.6	0.4	-0.6
Total	6.3	2.3	8.6	6.7	2.8	9.5	0.4	0.5	0.9	8.7

Chemicals – (A) Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2012 ammonia domestic market share 9%, high percentage of self-consumption of ammonia



Chemicals – (B) Fine Chemicals Subsegment

FY2012 Review

- <vs. FY2011>
- ◆ **TEPIC 1H** : Sales for general applications down due to strong yen, sales for electronic materials slightly up
 - 2H : Sales for both general applications and electronic materials down
 - ◆ **Environmental related products**
 - 1H : Weak domestic demand and decrease in export due to strong yen
 - 2H : Domestic sales down, export up
 - ◆ **Custom Chemicals**
 - Increase in work on awarded contracts

FY2013 Outlook as of May 2013

- <vs. FY2012>
- ◆ **TEPIC** : Sales for both general applications and electronic materials up due to weak yen
 - ◆ **Environmental related products** : Domestic sales up, export flat
 - ◆ **Custom Chemicals** : Sales down due to volume decrease in certain products

Product	Characteristics and Trend	Sales YOY Change									
		FY2011	FY2012 Outlook as of October 2012		FY2012			FY2013 E as of May 2013			
			Total	1H	2H E	Total	1H	2H	Total	1H E	2H E
Total Subsegment		-3%	-5%	+24%	+8%	-5%	+12%	+3%	+3%	+11%	+7%
TEPIC	◆ Epoxy compound for : (A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint (automobiles, electric appliances) ◆ World largest producer	-12%	-5%	+16%	+5%	-5%	-5%	-5%	+8%	+18%	+13%
Environmental related products	◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank	-12%	-16%	+16%	-3%	-16%	+10%	-5%	+11%	+2%	+7%
Custom Chemicals	◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediaries from pre-clinical to commercial production stages ◆ New plant completed in July 2010 (¥ 2.0 billion capex)	+33%	+3%	+48%	+23%	+3%	+46%	+22%	-25%	+12%	-5%

Three products account for 78% of total consolidated subsegment sales (FY2012)

Chemicals – (C) Basic Chemicals Subsegment

FY2012 Review

- <vs. FY2011>
- ◆ **Melamine 1H** : Domestic sales slightly up, export declined due to strong yen and weak Asian market
2H : Domestic demand up, export up due to weak yen and recovery of Asian market
 - ◆ **Urea including AdBlue**
Sales increase continuing
 - ◆ **High purity sulfuric acid**
Sales up in 1H , down in 2H

FY2013 Outlook as of May 2013

- <vs. FY2012>
- ◆ **Melamine** : Domestic sales up, export up due to weak yen and recovery in Asian market
(weaker Asian market expected in 2H)
 - ◆ **Urea including AdBlue**
Sales increase continuing
 - ◆ **High purity sulfuric acid**
Increase in demand expected in 2H

Product	Characteristics and Trend										
		FY2011	FY2012 Outlook as of October 2012			FY2012			FY2013 E as of May 2013		
			Total	1H	2H E	Total	1H	2H	Total	1H E	2H E
Total Subsegment		-3%	-3%	+1%	-1%	-3%	-1%	-2%	-1%	+3%	+1%
Melamine	◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood	-26%	-25%	-14%	-20%	-25%	+28%	+0%	+24%	-10%	+4%
Urea including AdBlue	◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox	+22%	+35%	+26%	+30%	+35%	+20%	+27%	+15%	+17%	+16%
High purity sulfuric acid	◆ Used to clean semiconductors ◆ Largest in domestic market ◆ Capacity expansion (+15%) completed in May 2011	+1%	+10%	+13%	+12%	+10%	-3%	+3%	-2%	+13%	+5%

Three products account for 34% of total consolidated subsegment sales(FY2012)

Chemicals – (D) Profit Overview

(¥billion)

	FY2011			2H E as of Oct.2012	FY2012			FY2013 E as of May 2013		
	1H	2H	Total	2H E	1H	2H	Total	1H E	2H E	Total
Sales	18.6	18.3	36.9	19.6	17.9	18.7	36.6	17.9	19.7	37.6
Fine Chemicals	5.9	5.0	10.9	6.2	5.6	5.6	11.2	5.8	6.2	12.0
Basic Chemicals	12.7	13.3	26.0	13.4	12.3	13.1	25.4	12.1	13.5	25.6
OP	0.8	0.8	1.6	1.7	0.8	1.1	1.9	0.9	1.7	2.6

2H FY2012 Review

<vs. 2H FY2011>

(Fine Chemicals)

- ◆ Sales of environmental related products and Custom Chemicals up, sales of TEPIC down
- ◆ Fixed cost down, sales up, OP up

(Basic Chemicals)

- ◆ Sales of melamine, urea, AdBlue up, sales of high purity sulfuric acid down
- ◆ Fixed cost down, naphtha cost up, sales down, OP up

(Total Segment)

- ◆ Sales up ¥0.4billion, OP up ¥0.3billion

2H FY2012 Review

<vs. 2H FY2012 Outlook as of October 2012>

(Fine Chemicals)

- ◆ Sales of TEPIC and environmental related products below expectations
- ◆ Sales down, OP down

(Basic Chemicals)

- ◆ Sales of melamine above expectations, sales of other products below expectations
- ◆ Naphtha cost up, sales down, OP down

(Total Segment)

- ◆ Sales down ¥0.9billion, OP down ¥0.6billion

FY2012 Review

<vs. FY2011>

(Fine Chemicals)

- ◆ Sales of Custom Chemicals and other minor products up, sales of environmental related products and TEPIC down
- ◆ Fixed cost down, Sales up, OP up

(Basic Chemicals)

- ◆ Sales of urea, AdBlue, high purity sulfuric acid up, sales of melamine flat
- ◆ Fixed cost down, Sales up, OP slightly up

(Total Segment)

- ◆ Sales down ¥0.3billion, OP up ¥0.3billion

FY2013 Outlook as of May 2013

<vs. FY2012>

(Fine Chemicals)

- ◆ Sales of environmental related products, TEPIC, other minor products up, sales of Custom Chemicals down
- ◆ Fixed cost of Custom Chemicals down, sales up, OP up

(Basic Chemicals)

- ◆ Sales of melamine, urea, AdBlue, high purity sulfuric acid up
- ◆ Low margin transactions cut, higher naphtha cost, Sales up, OP up

(Total Segment)

- ◆ Sales up ¥1.0billion, OP up ¥0.7billion

Chemicals – (E) 1H FY2013 Profit Overview

(¥billion)

	1H FY2012			1H FY2013 E revised on July 30, 2013			1H FY2013 E as of May 2013
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1H E
Sales	9.1	8.8	17.9	9.5	9.3	18.8	17.9
Fine Chemicals	2.9	2.7	5.6	2.9	-	-	5.8
Basic Chemicals	6.2	6.1	12.3	6.6	-	-	12.1
OP	0.8	0.0	0.8	0.8	0.2	1.0	0.9

1Q FY2013 Review

<vs. 1Q FY2012>

(Fine Chemicals)

- ◆ Sales of TEPIC, environmental related products up, sales of Custom Chemicals down due to changes in delivery schedules
- ◆ Sales flat, OP flat

(Basic Chemicals)

- ◆ Sales of melamine, urea, AdBlue up, high purity sulfuric acid down
- ◆ Naphtha cost up
- ◆ Sales up, OP flat

(Total Segment)

- ◆ Sales up ¥0.4billion, OP flat

1H FY2013 Outlook

revised on July 30, 2013

<vs. 1H FY2013 Outlook as of May 2013>

<vs. 1H FY2012>

(Fine Chemicals)

- ◆ Sales of TEPIC, environmental related products up
- ◆ Sales up, OP up

(Basic Chemicals)

- ◆ Melamine sales above expectations
- ◆ Higher naphtha cost
- ◆ Sales up, OP flat

(Total Segment)

- ◆ Sales up ¥0.9billion, OP up ¥0.1billion

(Fine Chemicals)

- ◆ Sales of TEPIC, environmental related products, other minor products up, Custom Chemicals down
- ◆ Fixed costs of Custom Chemicals down
- ◆ Sales up, OP up

(Basic Chemicals)

- ◆ Sales of melamine, urea, AdBlue, high purity sulfuric acid up
- ◆ Low margin transactions cut, higher naphtha cost
- ◆ Sales up, OP down

(Total Segment)

- ◆ Sales up ¥0.9billion, OP up ¥0.2billion

Performance Materials – (A) Topics

◆ Advanced Materials Research Lab. (*tentative name)

- Focusing on developing new applications
- To be completed in July 2014 (¥3.4 billion capex)
- Integration of R&D functions for new products and applications of Performance Materials

◆ FY2012 capex program of NCK (Korean subsidiary) (approval basis)

<Display Materials>

Expansion of SUNEVER production facilities, warehouses, R&D center

<Semiconductors Materials>

Expansion of BARC and multi layer process materials production facilities, warehouses

◆ 100% Acquisition of Thin Materials AG (TMAT)

<Acquisition Date> June 28, 2013

<Location> Munich, Germany (in the premises of Fraunhofer-Gesellschaft, FhG)

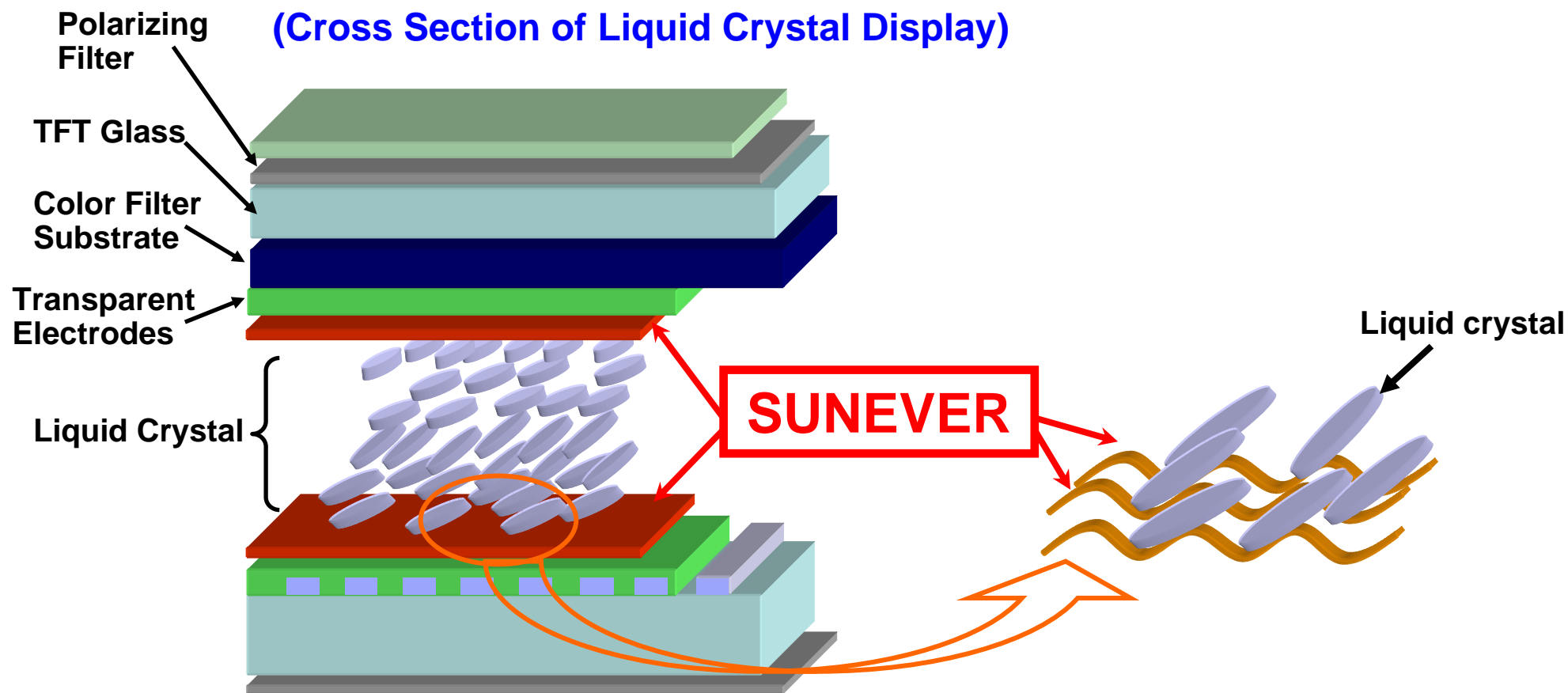
<Representative> Dr. Franz Richter

<Purpose of Acquisition>

To adopt TMAT's advanced processing and material development technologies for 3D packaging for semiconductors

Performance Materials – (B) SUNEVER

- ◆ Polyimide resin to align liquid crystal molecules in a certain direction
- ◆ Key component to control reaction speed of image, non erasable residual dots



Performance Materials – (C) Display Materials

2H FY2012 Review

<vs. 2H FY2011>

- ◆ Total Display Materials sales up 32%, SUNEVER sales up 36%
- ◆ Substantial sales increase in IPS/FFS as well as VA, TN sales down
- ◆ 3D TV materials sales down due to customers' production cut

<vs. 2H FY2012 Outlook

as of October 2012>

- ◆ VA, IPS/FFS, 3D sales above expectations
- ◆ TN sales below expectations

FY2013 Outlook as of May 2013

<vs. FY2012>

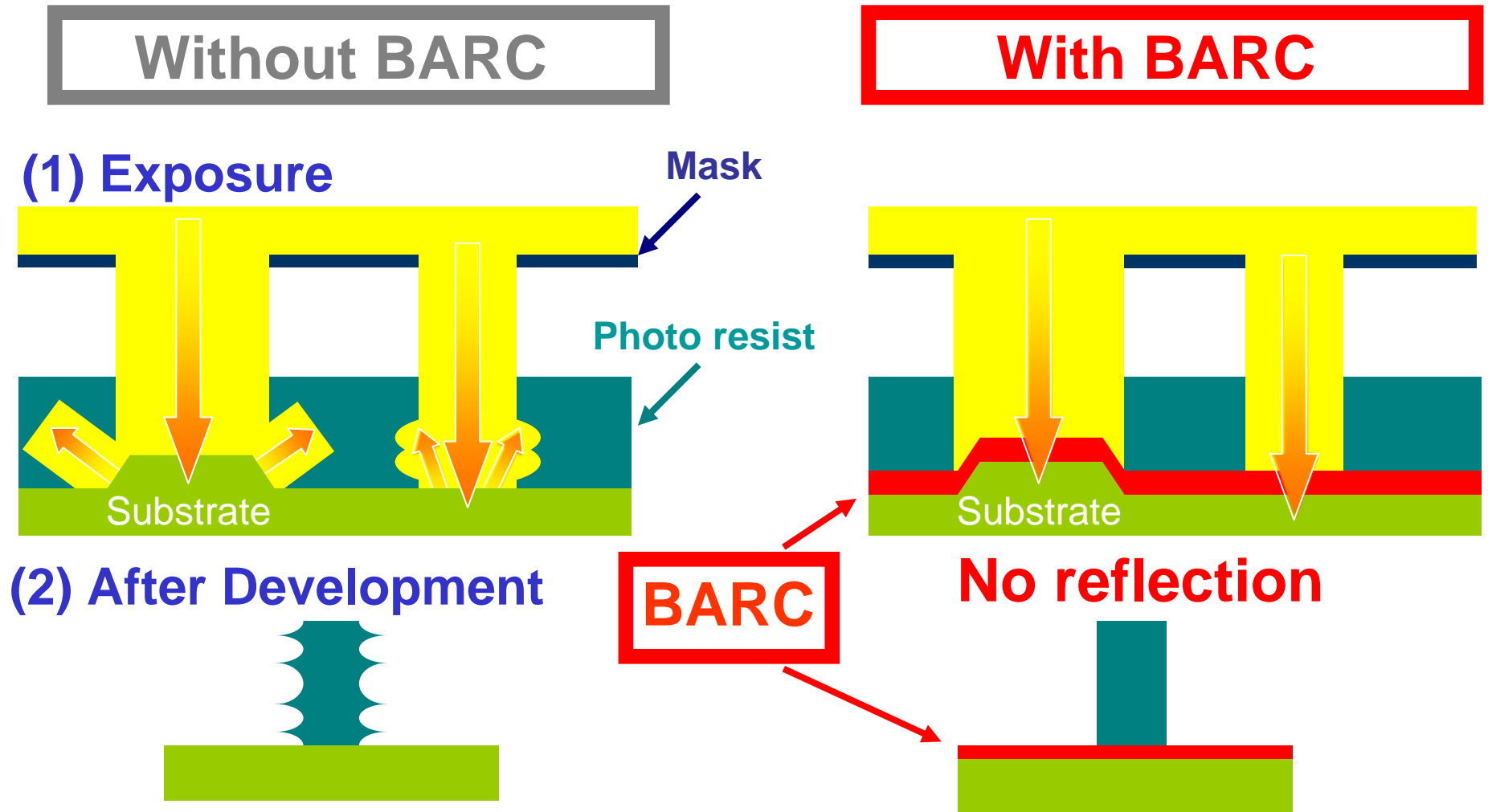
- ◆ Total Display Materials sales down 1%, SUNEVER sales down 4%
- ◆ IPS/FFS sales up, VA and TN sales down
- ◆ 3D TV materials sales up

		Major Use	Sales YOY Change											
			FY2011	FY2012 Outlook as of October 2012			FY2012			FY2013 E as of May 2013				
				Total	1H	2H E	Total	1H	2H	Total	1H E	2H E	Total	
Total SUNEVER														
	TN (twisted nematic)	PC, monitor	-15%	+34%	+14%	+24%	+34%	+36%	+35%	-3%	-5%	-4%		
	IPS/FFS (in plane switching / fringe field switching)	TV, Tablet PC, smartphone												
	VA (vertical alignment)													
Other Display Materials (1)			+76%	-23%	-37%	-31%	-23%	-21%	-22%	+55%	+61%	+58%		
Total Display Materials			-13%	+31%	+10%	+20%	+31%	+32%	+31%	-1%	-2%	-1%		

(1) NHC(protective coating for touch panels), 3D TV materials, etc

Performance Materials – (D) BARC (bottom anti-reflective coating for semiconductor)

- ◆ Bottom anti-reflective coating for semiconductor lithography for eliminating reflections
- ◆ Demand for ArF increasing as lithography shifts to fine processing technology



Performance Materials – (E) Semiconductors Materials

2H FY2012 Review

<vs. 2H FY2011>

- ◆ Total Semiconductors Materials sales up 8%, BARC sales down 4%(KrF up, ArF down)
- ◆ Other semiconductors materials (including multi layer process materials) sales up 171%

<vs. 2H FY2012 Outlook

as of October 2012>

- ◆ Sales of KrF and other semiconductors materials (including multi layer process materials) above expectations, ArF below expectations

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ Total Semiconductors Materials sales up 6%, BARC sales up 3%
- ◆ KrF sales flat, ArF sales up 4%
- ◆ Other semiconductors materials (including multi layer process materials) sales up 24%

	Sales YOY Change									
	FY2011	FY2012 Outlook as of October 2012			FY2012			FY2013 E as of May 2013		
		Total	1H	2H E	Total	1H	2H	Total	1H E	2H E
BARC	-12%	+1%	-2%	-1%	+1%	-4%	-1%	-2%	+7%	+3%
KrF	-18%	-2%	-4%	-3%	-2%	+4%	+1%	+0%	+1%	+0%
ArF	-3%	+2%	-3%	+0%	+2%	-9%	-3%	-1%	+12%	+5%
Other Semiconductors Materials (1)	+15%	+139%	+155%	+148%	+139%	+171%	+156%	+37%	+14%	+24%
Total Semiconductors Materials	-11%	+9%	+9%	+9%	+9%	+8%	+9%	+3%	+8%	+6%

(1) Multi layer process materials, microlens, etc

Performance Materials – (F) Inorganic Materials

High performance inorganic colloidal materials

SNOWTEX

colloidal silica
(water dispersed silica sol)

Organo sol

organic solvent dispersed silica sol

Alumina sol

water dispersed alumina hydrate sol

SUNCOLLOID

methanol dispersed tin oxide sol

Celnax

zinc antimonate sol

Dominant share in domestic market (SNOWTEX)

NCI's Advantages

- Wide variety of grades to accommodate diversified customer's needs
 - particle diameter, surface treatment, concentration, PH, etc.
- Superiority in quality
 - long-term product stability, large-sized sol, etc.

< SNOWTEX Characteristics >

High transparency
High hydrophilicity
High heat resistance
High electro-conductivity
High hardness
Control refractive index
Increase friction
Increase bonding
Increase viscosity

< SNOWTEX Key functions >

Polishing

Coating

Binding

< Application Examples >

Polishing
silicon wafer,
aluminum/glass
hard discs

Coating for
electrical steel sheet,
plastic optical lenses,
metals, plastic films

Catalyst carrier
Binder for ceramics

FY2012 Sales Distribution

38%

62%

Performance Materials – (G) SNOWTEX, Organo sol

FY2012 Review

<vs. FY2011>

- ◆ **SNOWTEX 1H** : Sales down due to sluggish demand for both polishing and non-polishing materials
- 2H** : Polishing materials sales up, non-polishing materials sales down
- ◆ **Organo sol** : Sales down due to sluggish demand

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ **SNOWTEX** : Recovery of demand expected for both applications
- ◆ **Organo sol** : Sluggish demand expected to continue, focusing on developing new applications

Product	Characteristics	Sales YOY Change (1)									
		FY2011	FY2012 Outlook as of October 2012		FY2012			FY2013 E as of May 2013			
		Total	1H	2H E	Total	1H	2H	Total	1H E	2H E	Total
SNOWTEX	<ul style="list-style-type: none"> ◆ Mainly Used for : (A) polishing materials (silicon wafer, aluminum and glass hard disk), (B) non-polishing materials (NOx reduction catalyst, automobile catalyst, chrome-free electrical steel sheet) ◆ Largest domestic producer ◆ New second plant in Toyama completed in March 2011 (capacity +20%) 	-16%	-8%	+31%	+9%	-8%	+1%	-4%	+8%	+28%	+17%
Organo sol	<ul style="list-style-type: none"> ◆ Used for : hard coating materials, electronic information materials ◆ World largest producer 	+2%	-12%	+10%	-2%	-12%	-24%	-18%	-13%	+6%	-5%

(1) Non-consolidated basis

Performance Materials – (H) Profit Overview

(¥billion)

	FY2011			2H E as of Oct.2012	FY2012			FY2013 E as of May 2013		
	1H	2H	Total	2H E	1H	2H	Total	1H E	2H E	Total
Sales	17.0	17.0	34.0	18.9	18.8	18.6	37.4	19.6	20.3	39.9
OP	2.6	2.2	4.8	2.6	4.1	3.1	7.2	3.5	3.7	7.2

2H FY2012 Review

<vs. 2H FY2011>

- ◆ Sales of SUNEVER up (VA, IPS/FFS)
- ◆ Sales of Semiconductors Materials up (BARC down, other materials including multi layer process materials up substantially)
- ◆ Sales of Inorganic Materials down (SNOWTEX up, organo sol down)
- ◆ Sales up ¥1.6billion, OP up ¥0.9billion

2H FY2012 Review

<vs. 2H FY2012 Outlook as of October 2012>

- ◆ Sales of VA, and IPS/FFS above expectations
- ◆ Sales of Semiconductors Materials above expectations except ArF
- ◆ Sales of Inorganic Materials below expectations
- ◆ Sales down ¥0.3billion, OP up ¥0.5billion

FY2012 Review

<vs. FY2011>

- ◆ Sales of VA, and IPS/FFS up, sales of TN and 3D TV materials down
- ◆ Sales of Semiconductors Materials up (BARC down slightly, other materials including multi layer process materials up substantially)
- ◆ Sales of Inorganic Materials down (SNOWTEX, organo sol)
- ◆ Fixed cost down
- ◆ Sales up ¥3.4billion, OP up ¥2.4billion

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ Sales of SUNEVER down (IPS/FFS up, TN and VA down), 3D up
- ◆ Sales of Semiconductors Materials up (ArF and other materials including multi layer process materials up substantially, KrF flat)
- ◆ Sales of Inorganic Materials up (SNOWTEX and other products including high refractive sol up, organo sol down)
- ◆ Sales up ¥2.5billion, OP flat

Performance Materials – (I) 1H FY2013 Profit Overview

(¥billion)

	1H FY2012			1H FY2013 E revised on July 30, 2013			1H FY2013 E as of May 2013
	1Q	2Q	1H	1Q Actual	2Q E	1HE	1HE
Sales	9.5	9.3	18.8	10.3	10.1	20.4	19.6
OP	2.1	2.0	4.1	2.1	1.7	3.8	3.5

1Q FY2013 Review

<vs. 1Q FY2012>

- ◆ Sales of SUNEVER up (VA and IPS/FFS up, TN down)
- ◆ Total Semiconductors Materials sales up
(BARC down, other materials including multi layer process materials up substantially)
- ◆ Inorganic Materials sales down
- ◆ Sales up ¥0.8billion, OP flat

1H FY2013 Outlook revised on July 30,2013

<vs. 1H FY2013 Outlook as of May 2013>

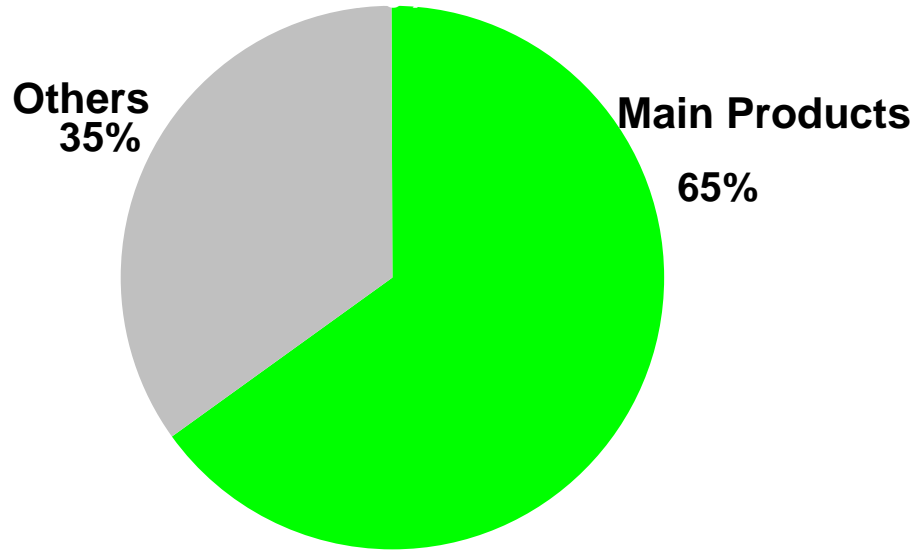
- ◆ Sales of SUNEVER (TN, VA and IPS/FFS) above expectations
- ◆ Sales of Semiconductors Materials above expectations
- ◆ Sales of Inorganic Materials below expectations
- ◆ Sales up ¥0.8billion, OP up ¥0.3billion

<vs. 1H FY2012>

- ◆ SUNEVER sales up (IPS/FFS up, TN and VA down)
- ◆ Total Semiconductors Materials sales up
- ◆ Inorganic Materials sales down
- ◆ Sales up ¥1.6billion, OP down ¥0.3billion

Agrochemicals – (A) Sales Distribution (before discount)

FY2012 Non-consolidated Sales Distribution (before discount)



◆ Main Products (in order of FY2012 sales amount):

ROUNDUP (herbicide), SIRIUS (herbicide), PERMIT (herbicide), PULSOR (THIFLUZAMIDE, fungicide), TARGA (herbicide), STARMITE (miticide), LEIMAY (fungicide), SANMITE (insecticide), ALTAIR (NC-620) (herbicide)

Non-consolidated Sales YOY Change (before discount)

	Non-consolidated Sales YOY Change (before discount)	
	FY2012 /FY2011	FY2013E /FY2012
ROUNDUP	↗↗	↘
SIRIUS	↘	↘
PERMIT	↗	↗
PULSOR (THIFLUZAMIDE)	↗↗↗	↘↘
TARGA	↘↘	↗↗↗↗
STARMITE	↗↗↗↗	↗
LEIMAY	↗↗	↗↗↗↗
SANMITE	↗↗	↘↘
ALTAIR (NC-620)	↗↗↗↗	↗↗↗↗

YOY Change

+0~+5%	↗	-0~-5%	↘
+5~+10%	↗↗	-5~-10%	↘↘
+10~+15%	↗↗↗	-10~-15%	↘↘↘
+15%~	↗↗↗↗	-15%~	↘↘↘↘

Agrochemicals – (B) Overview

- ◆ Stable profit center
- ◆ Strengthening product portfolio by:

<ul style="list-style-type: none"> (launch) (FY2008) (FY2009) (FY2010) (FY2011) (FY2012) (FY2013) (FY2014) (FY2014-16) (FY2019-) 	<ul style="list-style-type: none"> (products) LEIMAY (fungicide, in-house) STARMITE (miticide, in-house) PULSOR (THIFLUZAMIDE) (fungicide, acquired from Dow) PREVATHON (insecticide, licensed from DuPont) AVH (herbicide, licensed from ZEN-NOH, Bayer and Hokko) ROUNDUP AL for general household market, growing steadily ALTAIR(NC-620) (paddy rice herbicide, launched in Korea, in-house) ALTAIR(NC-620) (paddy rice herbicide, launched in Japan, in-house) Bulk shipment of animal health products to licensee started in July (for pets to exterminate tick and flea, licensing product) Animal health products expected to be launched in USA and EU Fruits/vegetables/paddy rice insecticide (licensed-in product), Fruits/vegetables/tea insecticide (licensed-in product), Fruits/vegetables fungicide (licensed-in product), Insecticide (in-house) (New addition) 	<ul style="list-style-type: none"> in-house developed products, acquired products, licensed-in products
--	--	---
- ◆ Full reconstruction of Biological Research Laboratories FY2010-2015 (FY2010-12 ¥4.6 billion capex) (Main completed facilities) Fully automated chemical compounds library, weather simulation room
- ◆ Acquired 3% share of IHARABRÁS (leading agro company in Brazil) in September 2011 to strengthen R&D and marketing capabilities in the rapidly growing market in Latin America
- ◆ Export sales account for about 20% of FY2012 non-consolidated segment sales (including sales through Trading segment)(Asia:50%, Europe,Africa:27%, North/Central/South America:23%)

Agrochemicals – (C) Non-consolidated Segment Sales (before discount)

	Non-consolidated Sales YOY Change (before discount)						
	FY2012 Outlook as of October 2012			FY2012			FY2013 E
	1H	2H E	Total	1H	2H	Total	
ROUNDUP	+12%	+3%	+6%	+12%	+5%	+7%	-2%
Except ROUNDUP	+4%	+1%	+2%	+4%	+1%	+2%	+7%
Total Segment	+6%	+2%	+3%	+6%	+2%	+3%	+5%

	Distribution of NCI Non-consolidated Sales	
	FY2011	FY2012
Fungicide +Insecticide	2%	3%
Insecticide	18%	18%
Fungicide	13%	13%
Herbicide	65%	64%
Plant growth regulator	2%	2%
Others	1%	1%

Distribution of Japanese Market Oct 2011-Sept 2012
10.9%
30.4%
22.2%
33.5%
1.9%
1.2%

Agrochemicals – (D) Profit Overview

(¥billion)

	FY2011			2HE as of Oct.2012	FY2012			FY2013 E as of May 2013		
	1H	2H	Total	2HE	1H	2H	Total	1HE	2HE	Total
Sales	12.5	21.3	33.8	21.7	13.4	22.0	35.4	13.4	22.8	36.2
OP	0.8	3.6	4.4	3.5	1.3	3.7	5.0	1.4	3.8	5.2

2H FY2012 Review

<vs. 2H FY2011>

- ◆ Sales of ROUNDUP, STARMITE, ALTAIR up, export up, sales of SIRIUS, PULSOR down
- ◆ Milestones on animal health products received
- ◆ Fixed cost up (depreciation cost of new Biological Research Lab. up, R&D expenses up)
- ◆ Sales up ¥0.7billion, OP up ¥0.1billion

2H FY2012 Review

<vs. 2H FY2012 Outlook as of October 2012>

- ◆ Sales of ROUNDUP, SIRIUS, STARMITE, SANMITE above expectations
- ◆ Sales of TARGA and LEIMAY below expectations
- ◆ R&D expenses above expectations due to accelerated R&D activities
- ◆ Sales up ¥0.3billion, OP up ¥0.2billion

FY2012 Review

<vs. FY2011>

- ◆ Sales of ROUNDUP, PULSOR, STARMITE, ALTAIR up, sales of SIRIUS and TARGA down
- ◆ Milestones on animal health products received
- ◆ Fixed cost up (depreciation cost of new Biological Research Lab. and ALTAIR facilities up, R&D expenses up)
- ◆ Sales up ¥1.6billion, OP up ¥0.6billion

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ Sales of TARGA, STARMITE, LEIMAY, ALTAIR up, sales of ROUNDUP and SIRIUS down
- ◆ Bulk shipment of animal health products to the licensee expected to start
- ◆ Fixed cost up (depreciation cost of new Biological Research Lab. up, R&D expenses up due to accelerated pipeline development)
- ◆ Sales up ¥0.8billion, OP up ¥0.2billion

Agrochemicals – (E) 1H FY2013 Profit Overview

(¥ billion)

	1H FY2012			1H FY2013 E revised on July 30, 2013			1H FY2013 E as of May 2013
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1H E
Sales	8.3	5.1	13.4	9.9	4.6	14.5	13.4
OP	1.6	-0.3	1.3	2.3	-0.6	1.7	1.4

1Q FY2013 Review

<vs. 1Q FY2012>

- ◆ Sales of ROUNDUP, TARGA, STARMITE, LEIMAY, ALTAIR up, partly due to advanced orders and weak yen
- ◆ Sales up ¥1.6billion, OP up ¥0.7billion

1H FY2013 Outlook revised on July 30, 2013

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ Sales of ROUNDUP, TARGA, STARMITE, LEIMAY, ALTAIR above expectations
- ◆ Strong export
- ◆ R&D expenses above expectations due to accelerated R&D activities
- ◆ Sales up ¥1.1billion, OP up ¥0.3billion

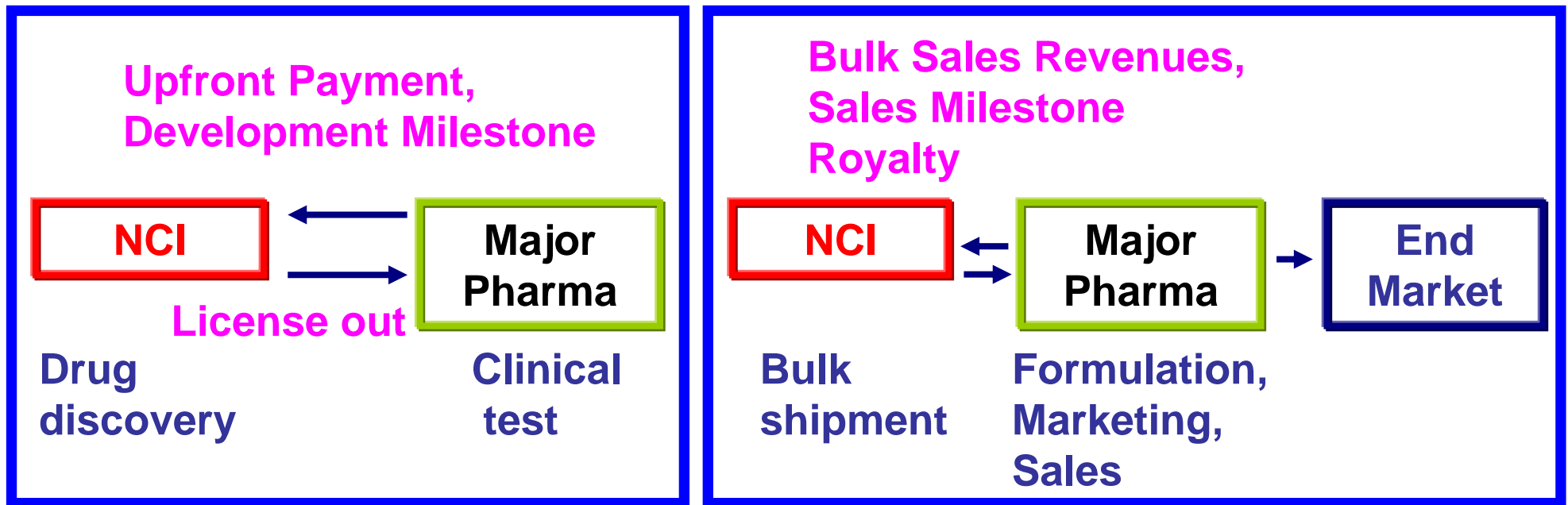
<vs. 1H FY2012>

- ◆ Sales of ROUNDUP, TARGA, STARMITE, LEIMAY, ALTAIR up
- ◆ Strong export
- ◆ Bulk shipment of the animal health products started in July
- ◆ Sales up ¥1.1billion, OP up ¥0.4billion

Pharmaceuticals – (A) NCI Business Model

- ◆ Steadily expanding segment in mid-term perspective
- ◆ Unique ethical pharma business model without sales force

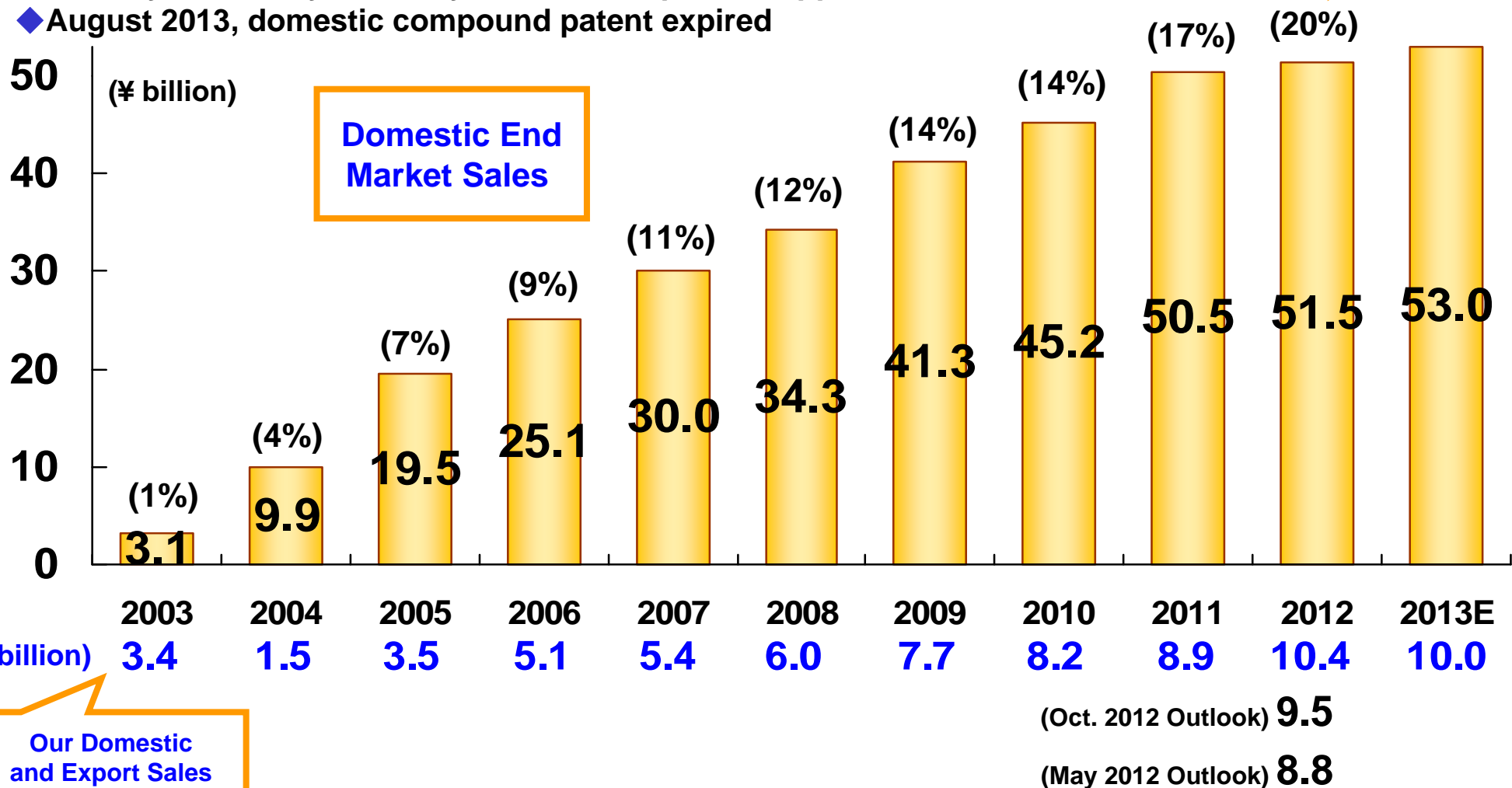
< Before Launch > → < After Launch >



Pharmaceuticals – (B) LIVALO (anti-cholesterol drug)

- ◆ Domestic market share up steadily (about 20% in FY2012)
- ◆ FY2012 NHI drug price cut 8%, but sales volume up substantially
- ◆ New plant completed in March 2011, commercial production started in May 2012
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2015)
- ◆ January - February 2013, crystalline form patents approved
- ◆ August 2013, domestic compound patent expired

FY2012 Market share	
Crestor	34%
Lipitor	27%
Livalo	20%
Mevalotin	12%



Pharmaceuticals – (C) LIVALO World Wide Strategy & Pipeline

◆ LIVALO World Wide Strategy

Country/Region	Developing Status	Launch (schedule)	Business Partner
Japan	Launched	Sep 2003	Kowa, Daiichi-Sankyo (1)
Korea	Launched	Jul 2005	JWP Pharmaceutical
Thailand	Launched	Jan 2008	Biopharm-Chemical
China	Launched	Jul 2009	Kowa Shanghai
USA	Launched	Jun 2010	Kowa(KPA) (2)
Lebanon	Launched	Mar 2011	Algorithm
Spain	Launched	May 2011	Recordati, Esteve
Portugal	Launched	Jun 2011	Recordati, Delta
Mexico	Launched	Feb 2012	Eli Lilly
Indonesia	Launched	May 2012	Indonesia Tanabe
Taiwan	Launched	Jun 2012	Taiwan Tanabe
Switzerland	Launched	Jan 2013	Eli Lilly
Ukraine	Approved	Jun 2013	Recordati
Brazil	Approved	Jul 2013	Eli Lilly
France	Approved	2013	Recordati
Italy	Approved	2013	Recordati

Other approved countries : Australia, Cyprus, Greece, Ireland, Turkey, Venezuela etc.

(1) From July 2013, Kowa will be the sole partner (2) As of June 30, 2013, Eli Lilly ended its co-promotion of LIVALO

◆ Pipeline

Product	Market		Developing Status	Licensee	Expected Market Size (¥ billion)
NT-702	Japan	Intermittent claudication	Phase II	Taisho	20-30
		Asthma			20
NTC-801 (Anti-arrhythmic agent)	Japan	World wide (except Japan)	Discontinuation of clinical development No further plans for development at this time (under discussion among three companies)	Teijin	1 million patients (2015)
				BMS	8.4 million patients (2015)
NIP-022 (Platelet generating stimulator agent)			Phase I	Ono	0.35million patients (2015 in Japan)

Pharmaceuticals – (D) Profit Overview

(¥billion)

	FY2011			2H E as of Oct.2012	FY2012			FY2013 E as of May 2013		
	1H	2H	Total	2H E	1H	2H	Total	1H E	2H E	Total
Sales	5.2	4.8	10.0	4.3	5.3	5.3	10.6	5.6	4.5	10.1
OP	2.6	2.0	4.6	1.7	2.6	2.6	5.2	2.9	2.0	4.9

2H FY2012 Review

<vs. 2H FY2011>

- ◆ LIVALO
 - NHI drug price cut 8%
 - Domestic and export sales volume up
 - Variable cost down by new plant
- ◆ Absence of milestones
- ◆ Sales up ¥0.5billion (LIVALO+0.7, others-0.2),
OP up ¥0.6billion

FY2012 Review

<vs. FY2011>

- ◆ LIVALO
 - NHI drug price cut 8%
 - Domestic and export sales volume up
 - Variable cost down by new plant
- ◆ Absence of milestones
- ◆ Sales up ¥0.6billion
(LIVALO+1.5, milestones-0.4, others-0.5),
OP up ¥0.6billion

2H FY2012 Review

<vs. 2H FY2012 Outlook as of October 2012>

- ◆ Domestic and export sales of LIVALO above expectations
- ◆ Sales up ¥1.0billion (LIVALO+0.9, others+0.1),
OP up ¥0.9billion

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ LIVALO crystalline form patent approved in Japan
(January - February 2013)
- ◆ LIVALO domestic compound patent expires (August 2013)
- ◆ LIVALO export flat
(USA and EU sales up, Korea sales down due to price cut)
- ◆ Absence of milestones
- ◆ Sales down ¥0.5billion (LIVALO-0.4, others-0.1),
OP down ¥0.3billion

Pharmaceuticals – (E) 1H FY2013 Profit Overview

(¥ billion)

	1H FY2012			1H FY2013 E revised on July 30, 2013			1H FY2013 E as of May 2013
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1H E
Sales	3.5	1.8	5.3	2.9	2.8	5.7	5.6
OP	1.9	0.7	2.6	1.6	1.4	3.0	2.9

1Q FY2013 Review

<vs. 1Q FY2012>

- ◆ Domestic LIVALO sales down as expected
In FY2012, introduction of new production method of LIVALO advanced from 2Q to 1Q, which boosted 1Q domestic sales to an extraordinary high level
- ◆ For 1Q FY2013, domestic LIVALO end market share estimated to be 20.8% (vs.20.0% for FY2012)
- ◆ Absence of milestones as expected
- ◆ Sales down ¥0.6billion, OP down ¥0.3billion

1H FY2013 Outlook revised on July 30,2013

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ Domestic and export sales of LIVALO slightly above expectations
- ◆ Sales up ¥0.1billion, OP up ¥0.1billion

<vs. 1H FY2012>

- ◆ Domestic and export sales of LIVALO continuing to grow
- ◆ Sales up ¥0.4billion, OP up ¥0.4billion

Trading – (A) Profit Overview

(¥billion)

	FY2011			2H E as of Oct.2012	FY2012			FY2013 E as of May 2013		
	1H	2H	Total	2H E	1H	2H	Total	1H E	2H E	Total
Sales	22.5	22.3	44.8	25.3	22.7	23.9	46.6	23.7	25.0	48.7
OP	0.7	0.6	1.3	0.8	0.7	0.7	1.4	0.6	0.8	1.4

2H FY2012 Review

<vs. 2H FY2011>

- ◆ Sales up due to volume increase in electronic materials
- ◆ Sales up ¥1.6billion, OP up ¥0.1billion

2H FY2012 Review

<vs. 2H FY2012 Outlook as of October 2012>

- ◆ Trading volume below expectations
- ◆ Sales down ¥1.4billion, OP down ¥0.1billion

FY2012 Review

<vs. FY2011>

- ◆ Sales and OP up with increase in trading volume
- ◆ Sales up ¥1.8billion, OP up ¥0.1billion

FY2013 Outlook as of May 2013

<vs. FY2012>

- ◆ Trading volume up, operating costs up
- ◆ Sales ¥2.1billion, OP flat

Trading – (B) 1H FY2013 Profit Overview

(¥ billion)

	1H FY2012			1H FY2013 E revised on July 30, 2013			1H FY2013 E as of May 2013
	1Q	2Q	1H	1Q Actual	2Q E	1H E	1H E
Sales	11.9	10.8	22.7	12.7	11.0	23.7	23.7
OP	0.4	0.3	0.7	0.4	0.2	0.6	0.6

1Q FY2013 Review

<vs. 1Q FY2012>

- ◆ Sales up due to volume increase
- ◆ Sales up ¥0.8billion, OP flat

1H FY2013 Outlook revised on July 30, 2013

<vs. 1H FY2013 Outlook as of May 2013>

- ◆ trading volume in line with expectations
- ◆ Sales flat, OP flat

<vs. 1H FY2012>

- ◆ Trading volume up, operating costs up
- ◆ Sales up ¥1.0billion, OP down ¥0.1billion

Capex/Depreciation/R&D by Segment

(¥billion)

	Capex(1)					Depreciation(2)					R&D expenses					% of Sales
	2009	2010	2011	2012	2013E	2009	2010	2011	2012	2013E	2009	2010	2011	2012	2013E	
Chem	-	1.9	1.6	1.0	1.4	-	3.4	2.5	2.0	1.9	-	0.8	0.8	0.7	0.7	1.9%
Performance M.	-	3.7	2.2	3.1	3.3	-	4.1	4.3	3.7	3.4	-	5.6	6.2	6.5	6.5	16.4%
Agro	-	0.4	2.1	2.5	1.3	-	1.9	1.8	1.9	2.2	-	2.6	2.8	3.0	3.5	9.6%
Pharma	-	2.4	1.7	0.7	0.5	-	0.3	1.0	1.1	0.9	-	2.4	2.5	2.3	2.4	23.3%
Trading	-	0.2	0.1	0.0	0.1	-	0.1	0.1	0.1	0.1	-	0.0	0.0	0.0	0.0	0.0%
Others	-	1.0	0.6	0.8	0.6	-	0.6	0.8	0.7	0.3	-	1.2	1.3	1.2	1.2	-
Total	10.1	9.6	8.3	8.1	7.2	11.0	10.4	10.5	9.5	8.8	13.1	12.6	13.6	13.7	14.3	
R&D expenses/Sales (%)											8.8%	8.2%	9.2%	8.9%	9.2%	

(1) Capex

Actual - Acceptance basis

Outlook - Production commencement basis

(2) Depreciation Method

SUNEVER, BARC- 4 year declining balance method

(50.0% of initial capex amount in the 1st year)

Other products - 8 year declining balance method

(25.0% of initial capex amount in the 1st year)

FY2012 and 2013 Main Capex Items (Approval basis)

(¥billion)

FY2012		FY2013 E	
High purity ammonia	0.3	SNOWTEX	0.5
SUNEVER(NCK)	1.4	Chemical Research Lab. (Instruments)	0.8
BARC(NCK)	1.2	Electronic Materials Lab. (Instruments)	0.8
Advanced Materials Research Lab. (Building)	3.4	Biological Research Lab.	0.3
Electronic Materials Lab. (Instruments)	0.8		
Biological Research Lab.	0.9		

NCK=Korean subsidiary

Financial Strategy – (A) Purchase of Treasury Shares

- ◆ Started purchase of treasury shares in 2006 to enhance ROE
- ◆ Purchased ¥25.5 billion, 22.8 million shares (12.2% of shares issued) in total
- ◆ Cancelled all purchased shares

Record of purchase of treasury shares FY2006 - 12

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2006- FY2012 Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	22,793
Purchase costs (¥ billion)	4.7	5.0	8.0	0	2.8	0	5.0	25.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	6,000	22,635
Shares issued at FY end (thousand shares)	184,635	181,000	174,000	174,000	171,000	171,000	165,000	
Treasury share at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	
Dividend (¥ billion)	3.7	3.6	3.8	4.2	4.1	4.1	4.3	
Dividend (¥ / Share)	20	20	22	24	24	24	26	
Total payout ratio (dividend + purchase of treasury shares) (%)	61	56	117	32	53	37	67	

Financial Strategy – (B) Cash Management Policy

- Aiming to control cash balance around the level of =

Minimum required level

+

1/3 of annual scheduled long-term borrowings repayment

+

1/3 of short-term borrowings outstanding

+

Contingent risk reserves (added for FY2011)

(non-consolidated basis)

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(A) Financial Targets

(¥billion)

1. PL	FY2012	FY2015
Sales	153.8	180.0
Operating Profit	19.5	26.0
Ordinary Income	20.5	26.5
Net Income	13.9	18.5
EPS(¥)	84.00	113.00

(¥billion)

2. Segment	Sales		Operating Profit	
	FY2012	FY2015	FY2012	FY2015
Chemicals and others (1)	70.4	77.5	2.1	3.6
Performance Materials	37.4	53.8	7.2	11.3
Agro	35.4	40.8	5.0	7.6
Pharma	10.6	7.9	5.2	3.5
Total	153.8	180.0	19.5	26.0

(1) "Chemicals and others" including Chemicals segment, Trading segment, Others segment and Adjustment

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(B) Financial Indicators

- ◆ **Highest importance on ROE as well as OP margin**
 - ROE : FY2015 Target 13.4%**
 - OP margin : FY2015 Target 14.4%**
- ◆ **Dividend payout ratio above 30%**
 - **In addition, continue to purchase treasury shares timely**
- ◆ **Maintain R&D expenses/sales above 9%**

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(C) Sources of Growth for Stage II

< Performance Materials >

◆ Display

New LCD alignment materials aiming at

- (a) high resolution
- (b) low power consumption
- (c) low cost
- (d) slim bezel design

Hole injection layer materials for OLED

◆ Semiconductor

Multi layer process materials

New development and applications of BARC

< Agrochemicals >

ROUNDUP Max Load AL

Non-selective weed killer herbicide for general household use

ALTAIR

(NC-620, paddy rice herbicide)

Animal health product

< Pharmaceuticals >

LIVALO

Domestic market defended by newly approved crystalline form patents

LIVALO Export

New pipeline products

Mid-term Business Plan Vista 2015 Stage II (FY2013-2015)

(D) Initiatives for FY2016 onwards

< Materials >

Semiconductors Materials

- ◆ 3D packaging process materials
- ◆ EUV materials

Materials for Flexible Displays

Hyper Branch Polymers

- ◆ Fluoro-polymeric surface modifier for touch panels
- ◆ Ultra-high refractive index coating materials

< Life Science >

NANOFIBER GEL

Cosmetics field,
quasi-pharmaceutical
& medical additive

3D cell culture medium

Agrochemicals

- ◆ Licensed-in product
 - Vegetables/fruits/paddy rice insecticide
 - Vegetables/fruits/tea insecticide
 - Vegetables/fruits fungicide
- ◆ In-house product
 - Vegetables/general purpose insecticide
 - Paddy rice herbicide
 - Fungicide

Pharmaceuticals

- ◆ Developing next drug candidates for pain, rheumatism, and diabetes
- ◆ Leveraging our libraries and synthesis capacity by promoting joint drug development with pharmaceutical manufactures

< R&D Center >

New Advanced
Materials Research
Laboratories
(tentative name)

FY2011- 1Q FY2013 Quarterly Sales by Segment

(¥billion)

	FY2011					FY2012					FY2013
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	9.4	9.2	9.0	9.3	36.9	9.1	8.8	8.9	9.8	36.6	9.5
Fine Chemicals	3.0	2.9	2.4	2.6	10.9	2.9	2.7	2.4	3.2	11.2	2.9
Basic Chemicals	6.4	6.3	6.6	6.7	26.0	6.2	6.1	6.5	6.6	25.4	6.6
Performance Materials	8.7	8.3	8.6	8.4	34.0	9.5	9.3	9.5	9.1	37.4	10.3
Agro	7.1	5.4	3.7	17.6	33.8	8.3	5.1	4.6	17.4	35.4	9.9
Pharma	2.9	2.3	2.4	2.4	10.0	3.5	1.8	3.1	2.2	10.6	2.9
Trading	11.6	10.9	10.8	11.5	44.8	11.9	10.8	12.5	11.4	46.6	12.7
Others	4.6	4.7	4.3	6.4	20.0	3.9	6.3	4.6	6.4	21.2	4.6
Adjustment	-7.7	-7.6	-7.3	-8.3	-30.9	-7.8	-9.4	-8.6	-8.2	-34.0	-9.7
Total	36.6	33.2	31.5	47.3	148.6	38.4	32.7	34.6	48.1	153.8	40.2

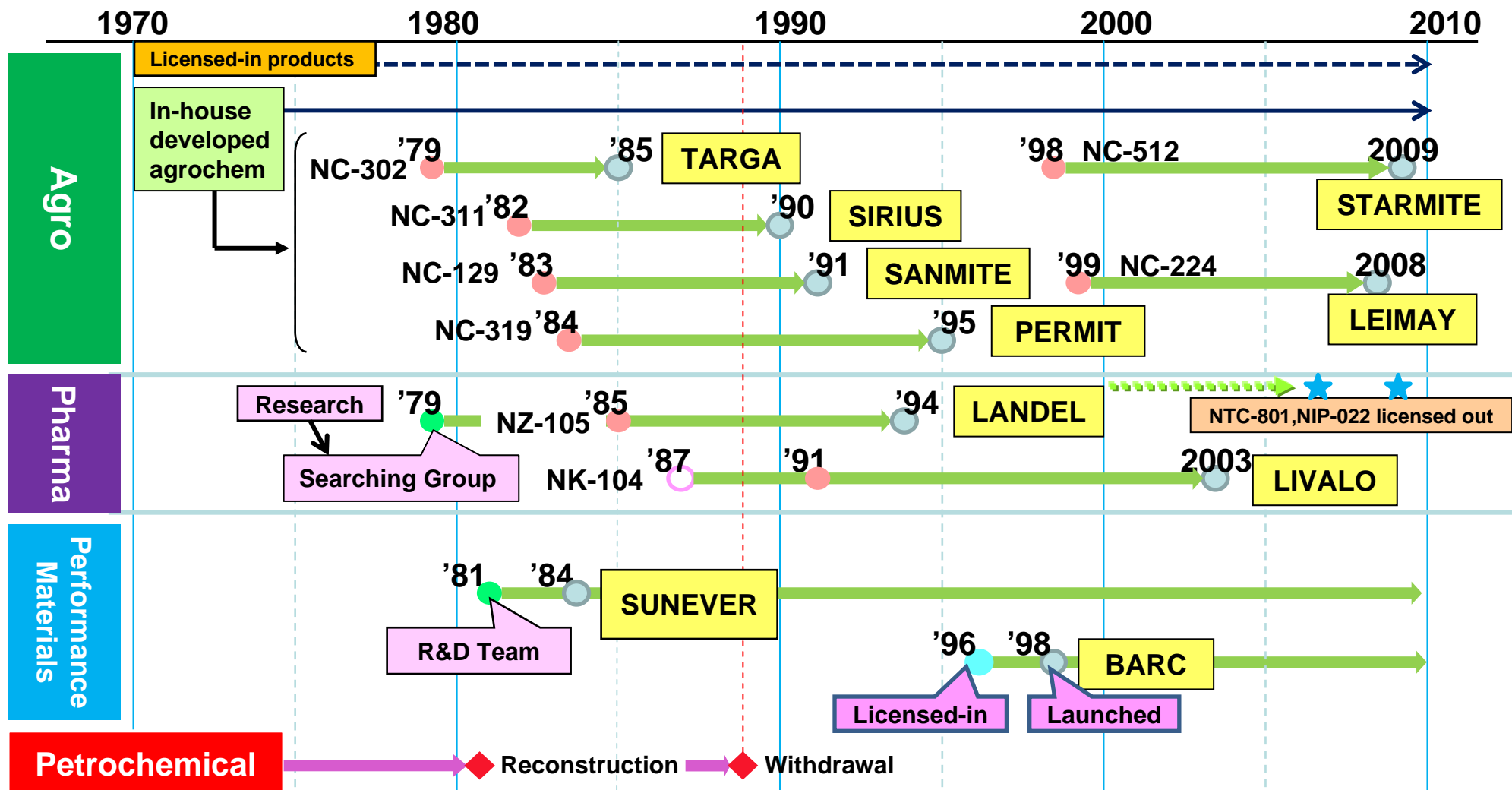
FY2011- 1Q FY2013 Quarterly OP by Segment

(¥billion)

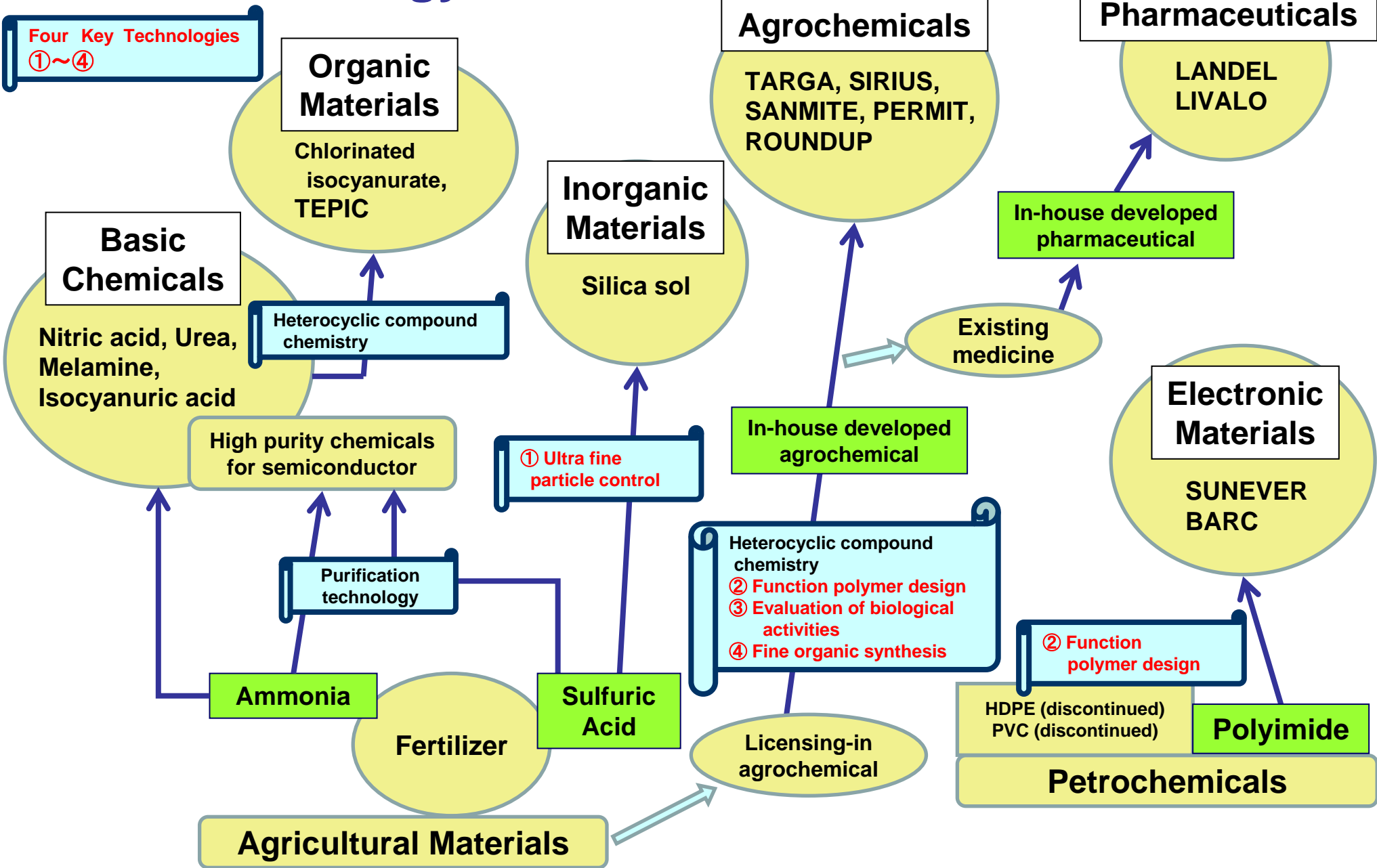
	FY2011					FY2012					FY2013
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	1.0	-0.2	0.6	0.2	1.6	0.8	0.0	0.4	0.7	1.9	0.8
Performance Materials	1.7	0.9	1.1	1.1	4.8	2.1	2.0	1.6	1.5	7.2	2.1
Agro	1.2	-0.4	-1.5	5.1	4.4	1.6	-0.3	-1.1	4.8	5.0	2.3
Pharma	1.4	1.2	1.0	1.0	4.6	1.9	0.7	1.6	1.0	5.2	1.6
Trading	0.4	0.3	0.3	0.3	1.3	0.4	0.3	0.4	0.3	1.4	0.4
Others	0.0	0.0	-0.1	0.4	0.3	-0.1	0.2	0.1	0.5	0.7	0.1
Adjustment	-0.5	-0.4	-0.4	-0.2	-1.5	-0.4	-0.6	-0.5	-0.4	-1.9	-0.6
Total	5.2	1.4	1.0	7.9	15.5	6.3	2.3	2.5	8.4	19.5	6.7
OP Margin	14.3%	4.0%	3.4%	16.6%	10.4%	16.5%	6.8%	7.5%	17.4%	12.7%	16.7%

Brief History of NCI's R&D

Fiscal Year	'80	'85	'90	'95	2000	2005	2012
R&D Expenses (¥billion)	2.2	3.6	5.3	5.8	6.2	9.2	13.7
R&D Expenses/Sales (%)	1.3	2.6	4.7	4.3	4.6	5.4	8.9



NCI's Technology Link



Main Products by Segment (New Segmentation)

Segment	Products	Main Applications
Chem	◆ Fine Chemicals TEPIC Melamine cyanurate Environmental product Custom Chemicals	epoxy compound for LED sealants, solder resist, painting flame retardant HI-LITE (chlorinated isocyanuric acid for sterilizing) custom manufacturing and process services for pharmaceutical companies
	◆ Basic Chemicals Melamine AdBlue Ammonia, Sulfuric acid, Nitric acid Highpurity chemicals	adhesive agent for plywood solution of urea in demineralised water for diesel trucks to reduce NOx agents used for cleaning semiconductors
Performance Materials	◆ Electronic Materials SUNEVER BARC Multi layer process materials NHC Micro lens	LCD alignment coating bottom anti-reflective coating for semiconductors multi layer process material for semiconductors(Si-HM/SOC) protective coating for touch panel microlens material for image sensor application
	◆ Inorganic Materials SNOWTEX Organo silica sol Alumina sol SUNCOLLOID CELNAX	water dispersed colloidal silica sol for polishing silicon wafers, electrical steel sheets, NOx reduction catalyst, electronic printing materials film coating, antistatic interference shielding, electronic printing materials automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film
Agro	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE ◆ Fungicide LEIMAY PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)	soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land fruits,tea, vegetables potato, grape, turf
Pharma	LIVALO	Anti-cholesterol drug
Trading	Nissei Corporation	
Others	Transportation, Landscaping, Engineering, Fertilizer	

Main Products by Segment (Former Segmentation)

Segment	Products	Main Applications
Chem	◆ Organic Materials TEPIC Custom Chemicals Melamine cyanurate	epoxy compound for LED sealants, solder resist, painting custom manufacturing and process services for pharmaceutical companies flame retardant
	◆ Inorganic Materials SNOWTEX Organo silica sol Alumina sol SUNCOLLOID CELNAX	water dispersed colloidal silica sol for polishing silicon wafers, electrical steel sheets, NOx reduction catalyst, electronic printing materials film coating, antistatic interference shielding, electronic printing materials automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film
	◆ Basic Chemicals Melamine AdBlue Environmental product Ammonia, Sulfuric acid, Nitric acid Highpurity chemicals	adhesive agent for plywood solution of urea in demineralised water for diesel trucks to reduce NOx HI-LITE (chlorinated isocyanuric acid for sterilizing) agents used for cleaning semiconductors
Electronic Materials	SUNEVER BARC NHC Micro lens	LCD alignment coating bottom anti-reflective coating for semiconductors protective coating for touch panel microlens material for image sensor application
Agro	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR(NC-620) ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE ◆ Fungicide LEIMAY PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)	soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land fruits,tea, vegetables potato, grape, turf
Pharma	LIVALO	Anti-cholesterol drug
Trading	Nissei Corporation	
Others	Transportation, Landscaping, Engineering, Fertilizer	

Forward Looking Statements

The forward looking statements in this material are based on information available at the time of preparation of the material. Although they reflect our current expectations, these statements are not guarantees of future performance, but include a number of risks and uncertainties. Actual results may largely differ from these statements due to various factors which may be beyond company control.

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