



Mid-term Business Plan “Vista 2015 Stage II”

“Only challenge to change makes us keep winning!”

May 14, 2013

presented by

NISSAN CHEMICAL IND., LTD.

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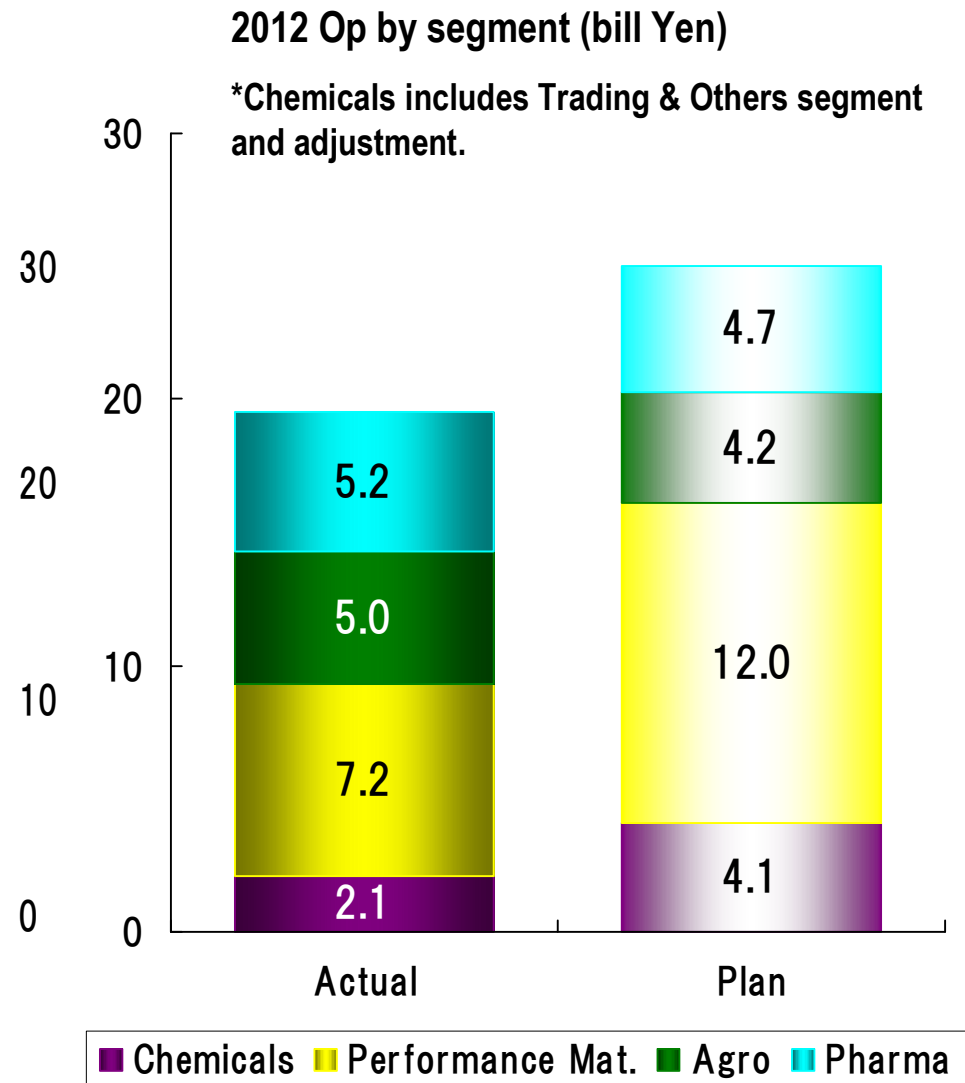
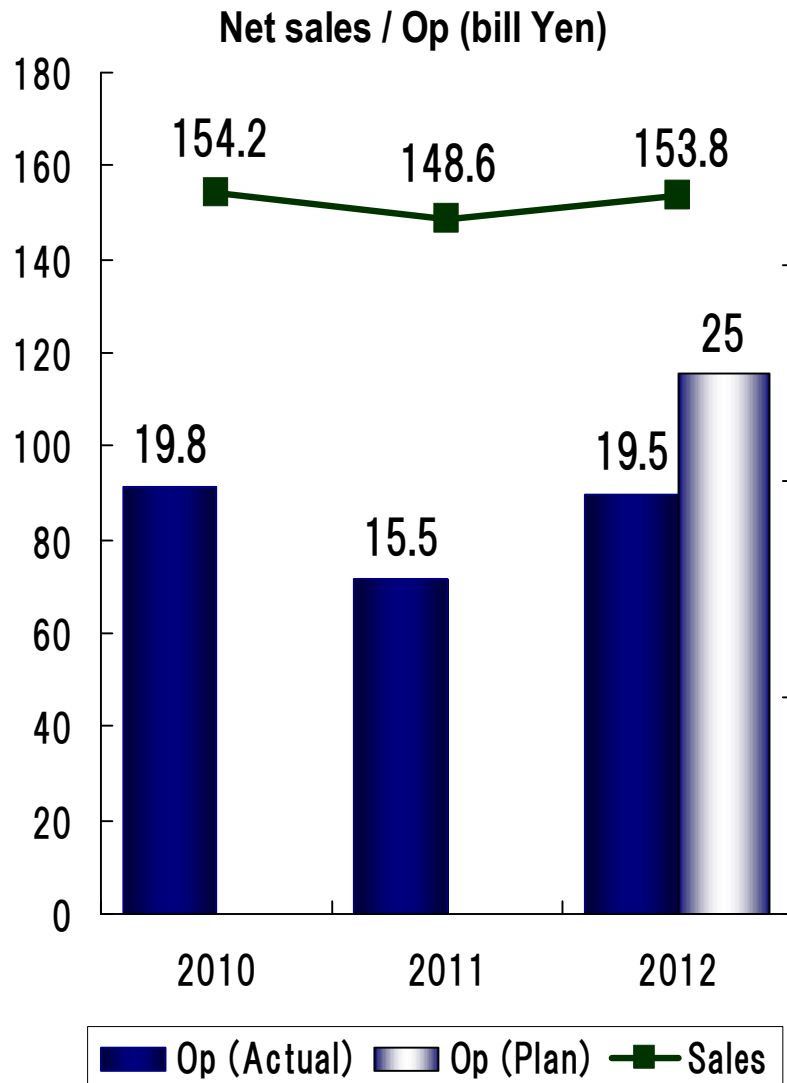
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1. Stage I: Review (*2010-2012)

***2010 = from April 1, 2010 to March 31, 2011**

1) Net sales & Op (vs. Plan)



1) Net sales & Op (2012 vs. Plan)

2012 Op
YOY -5.5 bill Yen

Pharmaceuticals +0.5

LIVALO: Worldwide sales growth

Agrochemicals +0.8

ROUNDUP & THIFLUZAMIDE: Sales expanded

Performance Materials -4.8

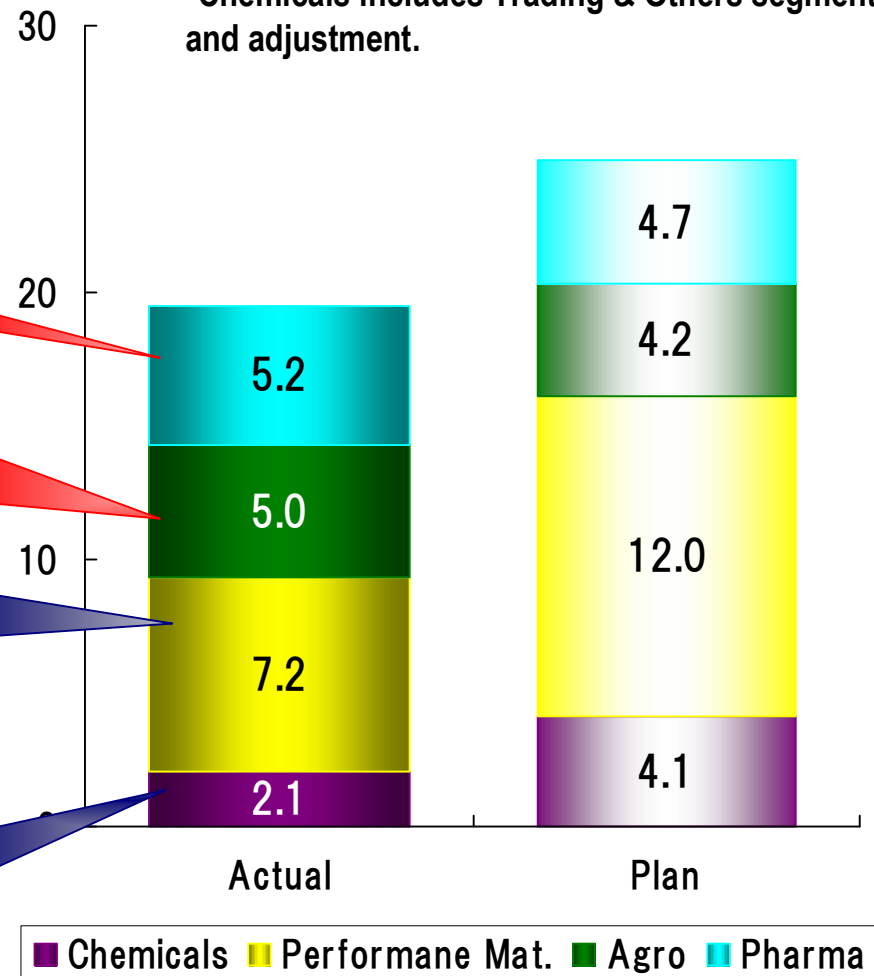
Demand reduced by slow world economy

Chemicals -2

Low demand throughout basic chemicals

2012 Op by segment (bill Yen)

*Chemicals includes Trading & Others segment and adjustment.



1) Net sales & Op (2012 vs. 2011)

Chemicals

+0.5 bill Yen

- (+) AdBlue® (high-grade urea solution)
- (+) High purity chemicals

Performance Materials

+2.4 bill Yen

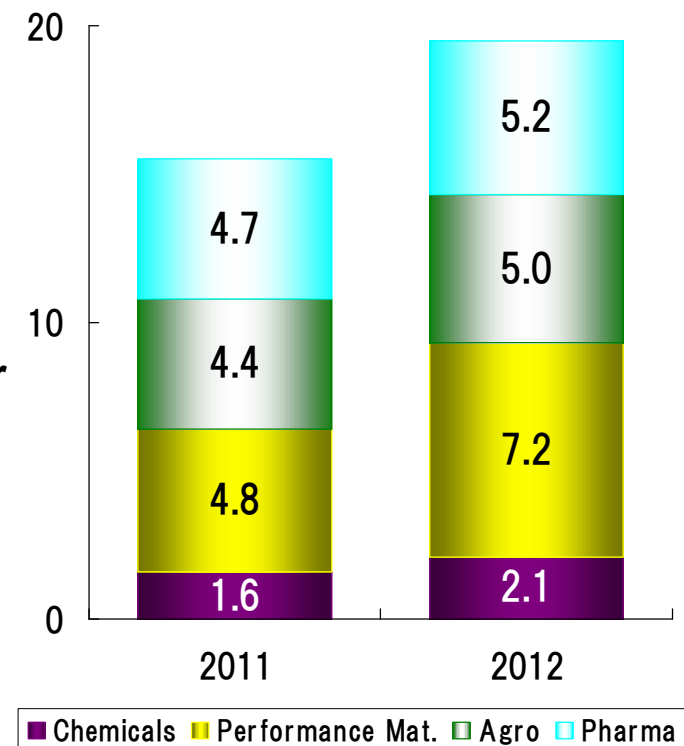
- (+) Display materials for IPS
- (+) Multi-layer process materials for semiconductor

3D optical
alignment coating :
Launched in 2011

Brand-new !



**2012 Op
YOY +4.0 bill Yen**



1) Net sales & Op (2012 vs. 2011)

Agrochemicals

+0.6 bill Yen

**2012 Op
YOY +4.0 bill Yen**

- (+) THIFLUZAMIDE (fungicide)
- (+) ROUNDUP MaxLoad AL (herbicide for general household market)



Launched in 2010

Brand-new!

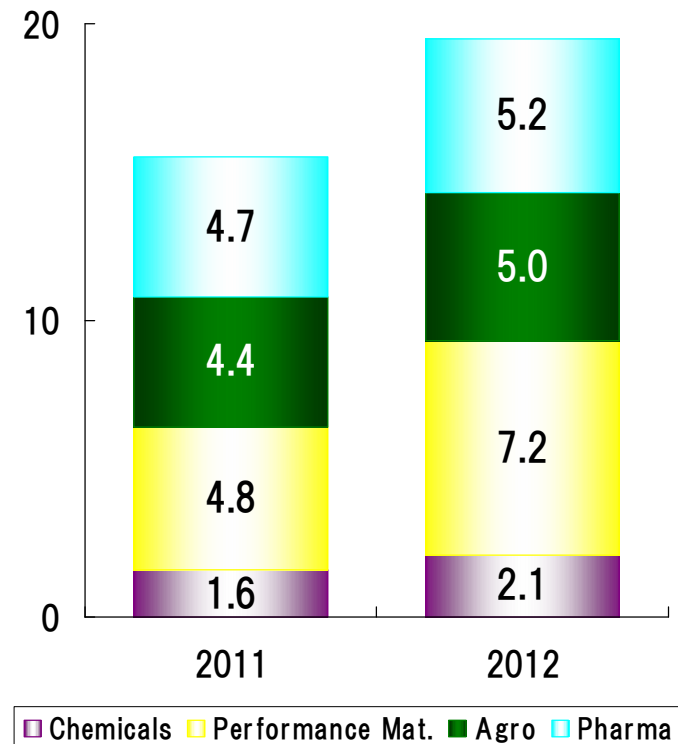
1.2L

2L

- (+) ALTAIR® (paddy rice herbicide)

**Launched:
2011 in Korea
2012 in Japan**

**Onoda-Plant:
completed in
Sep 2012**



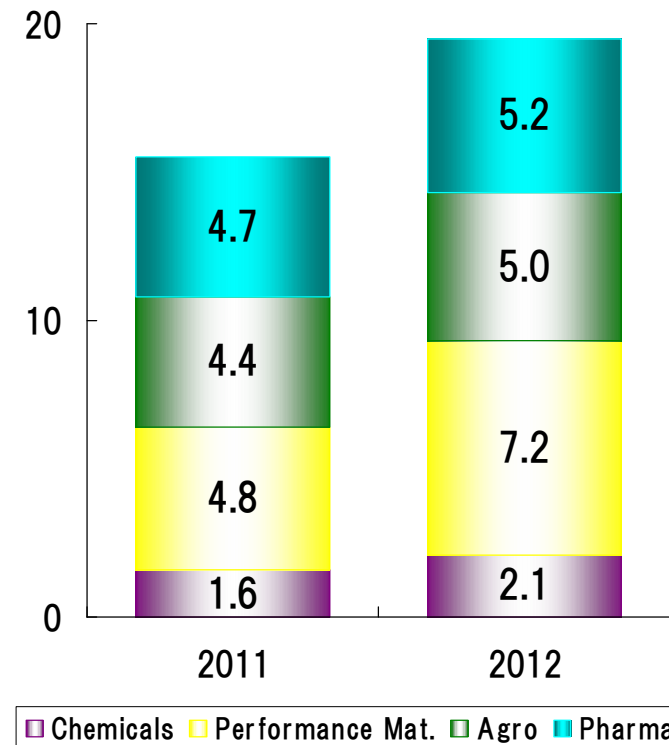
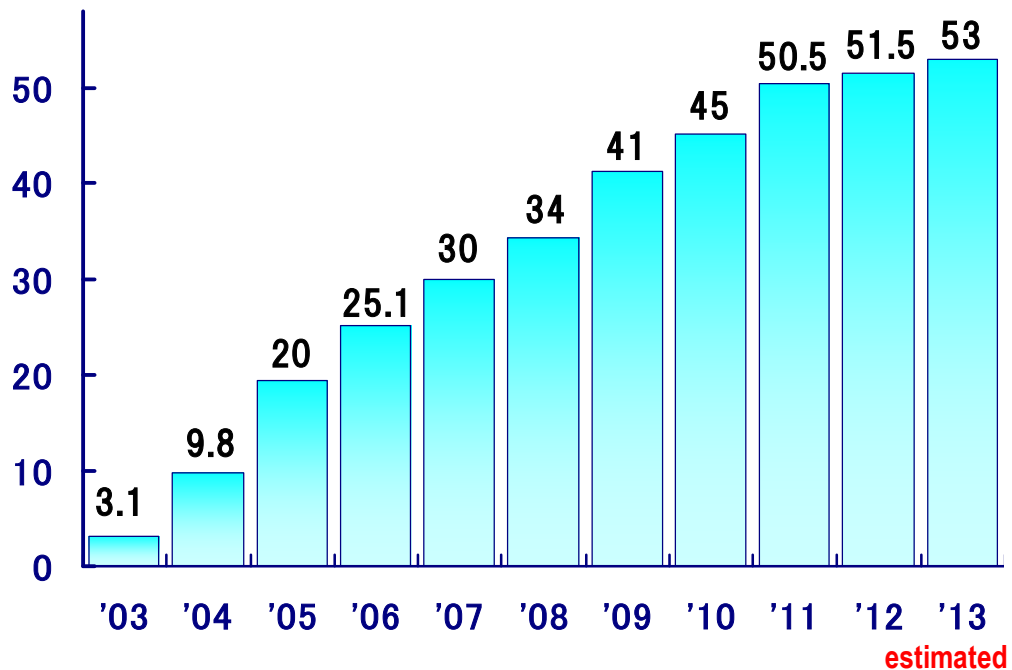
1) Net sales & Op (2012 vs. 2011)

Pharmaceuticals

+0.5 bill Yen

2012 Op
YOY +4.0 bill Yen

(+) LIVALO -domestic end market sales (bill Yen)



2) Development of business base

Biological Research Lab

Renewal plan (2011-2015)

- Reinforcement of Pharma evaluation capabilities & Agro greenhouse functions
- New life science material research

Main bldg. (Dec 2011)



Climate chamber
(Feb 2013)



Overseas R&D facilities

Nissan Chemical Taiwan
(operation started in May 2011)



-Customer-oriented R&D capabilities

Acquired 3% of IHARABRAS (leading agro company in Brazil) in Sep 2011



-Globalization in R&D

3) Tasks to be focused in Stage II

**Deeper grasp of market & customer needs
and quick action**

Acceleration of new product launching

Cost reductions

Business expansion in growing overseas markets



**-Growth strategy targeted on solution business-
*Now we've launched "Vista 2015 Stage II"!***



2. Stage II: Outline (*2013-2015)

***2013 = from April 1, 2013 to March 31, 2014**

1) *Corporate vision*

“A company that contributes to human survival and development”

Aim: offering the value which is socially useful

Performance Materials Area

- Establishment of de facto standard technologies & offering of cutting-edge materials
- Supply of fully functional products with low prices

Life Science Area

- New product development in Agro & Pharma field directly connected with food and human life

2) *Vision of 2015*

**Being as chemical manufacturer
with strong growth power & stability**

Performance Materials

Electronic

Inorganic

Organic

Life science

Agro

Pharma

Chemicals

Chemicals

3) Basic strategies

Creating new businesses & new products

Business

- **Developing unique materials and carving out new markets**
- New products developed by business divisions based on market needs
- M&A & product acquisitions

R & D

- Alignment of R&D structure to maximize our core technologies
- Introduction of advanced technologies
- Total of 48 bill Yen R&D expenses over next 3 years (+8 bill yen over 2010-2012)

Pursuit of business structure reforms

- **Competitiveness enhancement by cost reductions**
- Reinforcement of business base for overseas market growth
- Forming alliances with companies in same industry

3) *Basic strategies*

Creating new businesses & new products

Academic-industrial collaboration with Kyusyu University

Apr 2006 – Mar 2011

**Full institutional collaboration
between two organizations**

“Basic and applied research”

Apr 2011 – Mar 2013

**Practical use collaboration for next-
generation materials**

“Practical use research”

Apr 2013 – Mar 2016

**Inventive collaboration for
innovative materials**

**New material creation in life
science field**



3) Basic strategies

Pursuit of business structure reforms

Toyama Plant



Saitama Plant



Cost reductions
(with active investment)



Onoda Plant

Nagoya Plant

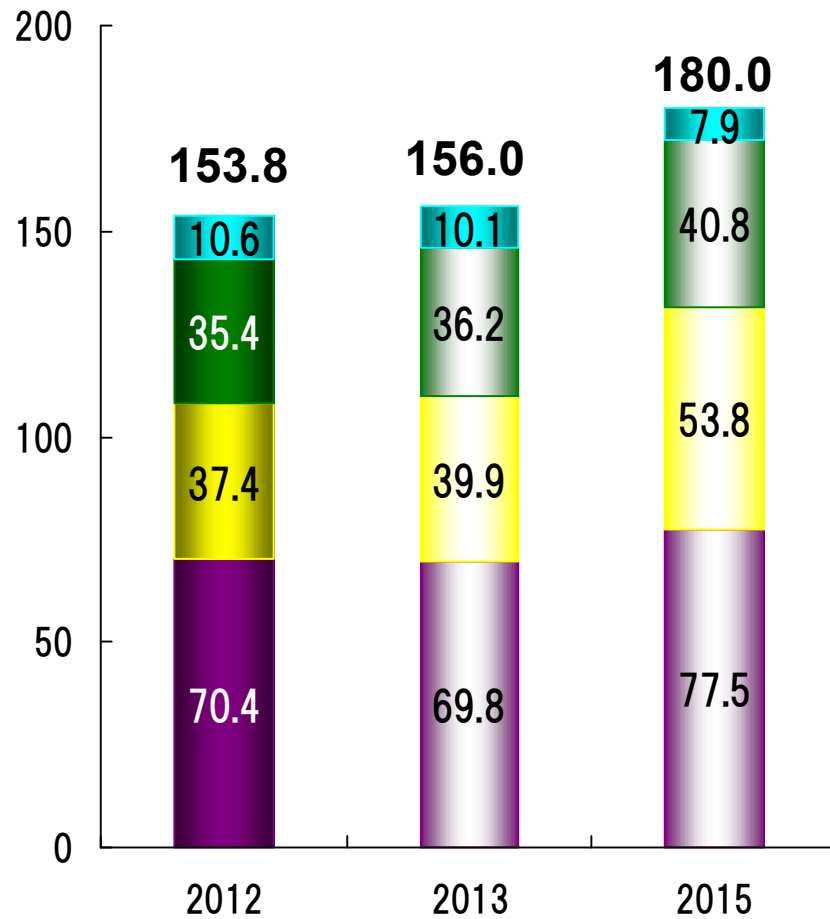


Sodegaura Plant

4) Financial targets

Net sales (bill Yen)

*Chemicals includes Trading & Others segment and adjustment.

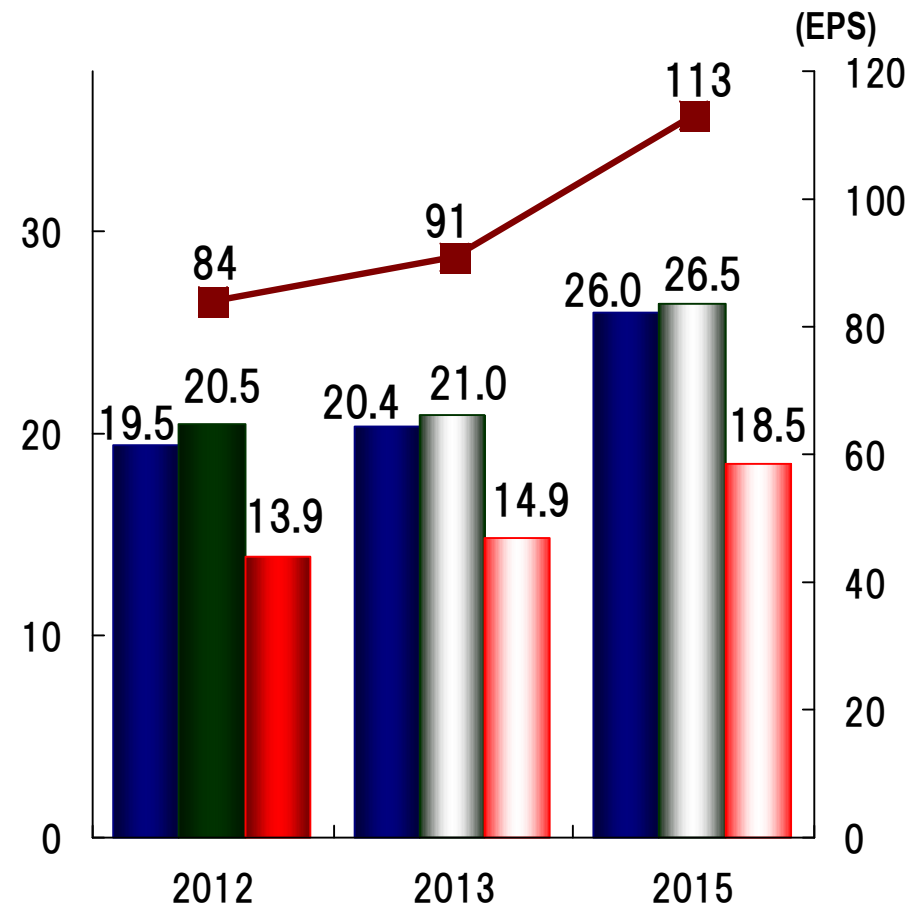


■ Chemicals ■ Performance Mat. ■ Agro ■ Pharma

Op/Ordinary income/Net income (bill Yen)

& *EPS (Yen)

*earnings per share

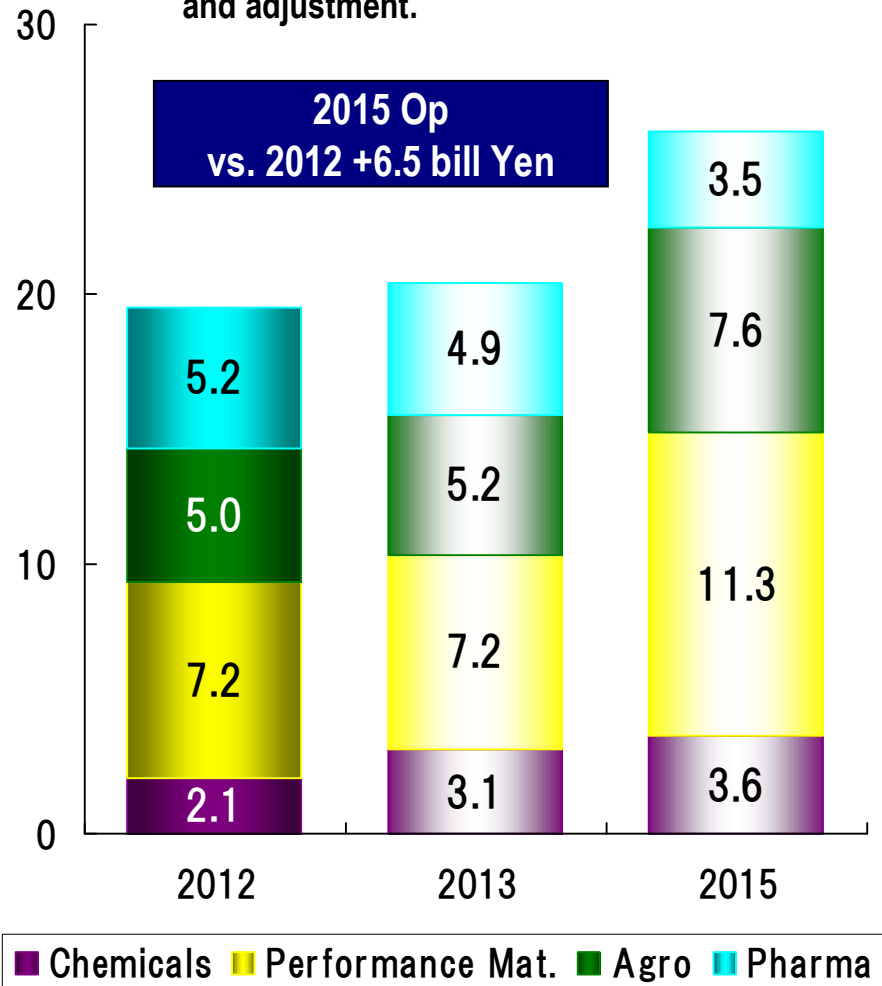


■ Op ■ Ordin income ■ Net income —■— EPS

4) Financial targets

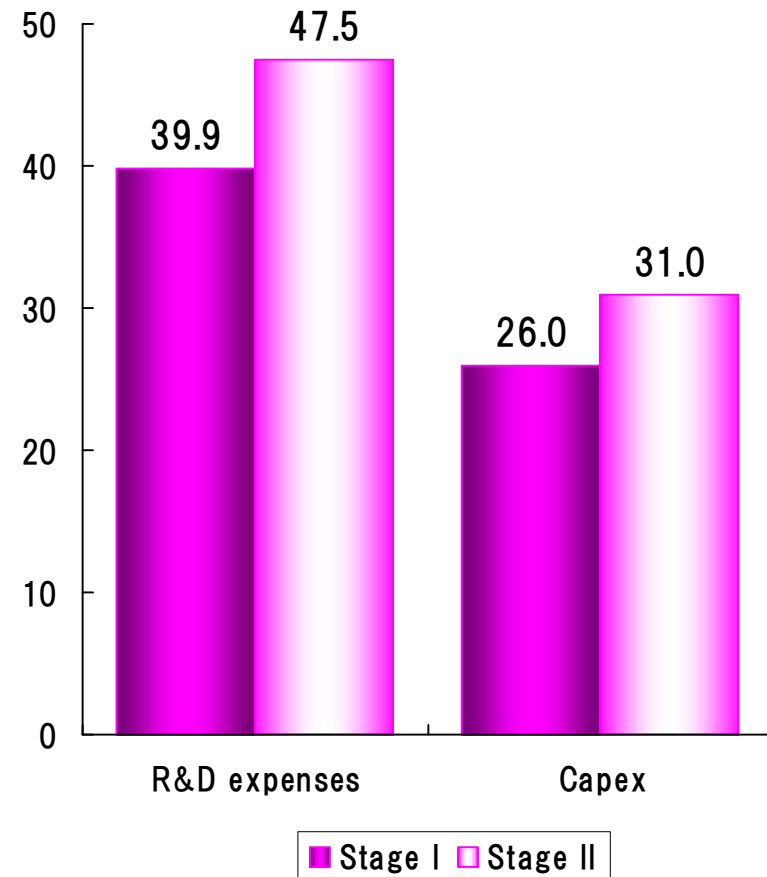
Op by segment (bill Yen)

*Chemicals includes Trading & Others segment and adjustment.



R&D expenses & *Capex (bill Yen)

*3 year total, production commencement basis

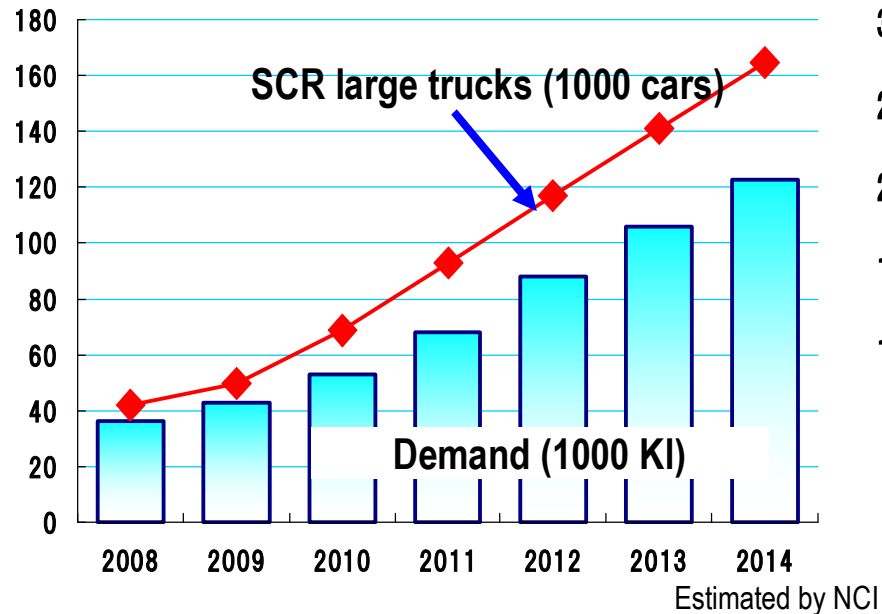


5) Sources of growth

Chemicals

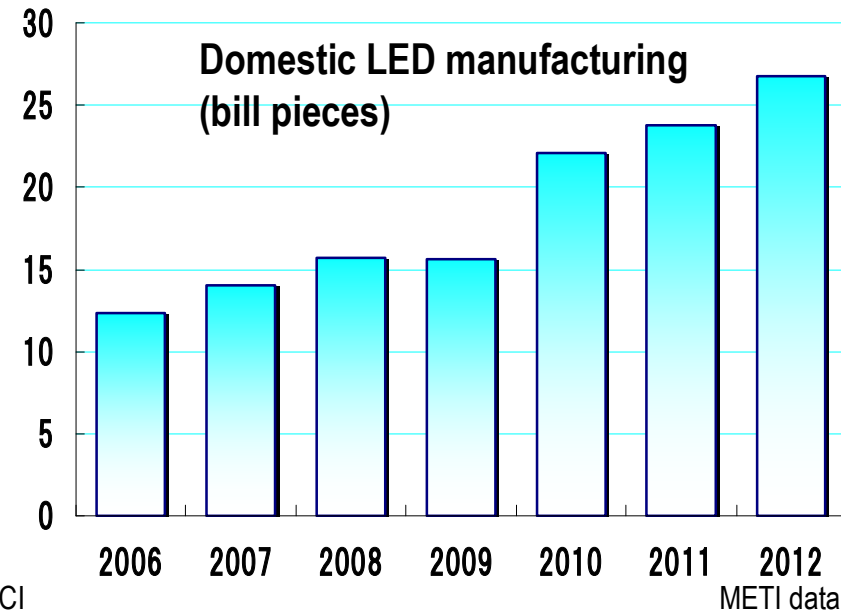
-Sales increase in growing fields

AdBlue® -urea to reduce NOX for diesel trucks



**New plant in Toyama (Nov 2012)
for competitiveness reinforcement
by cost reduction**

**High purity liquid ammonia
-agents for LED**

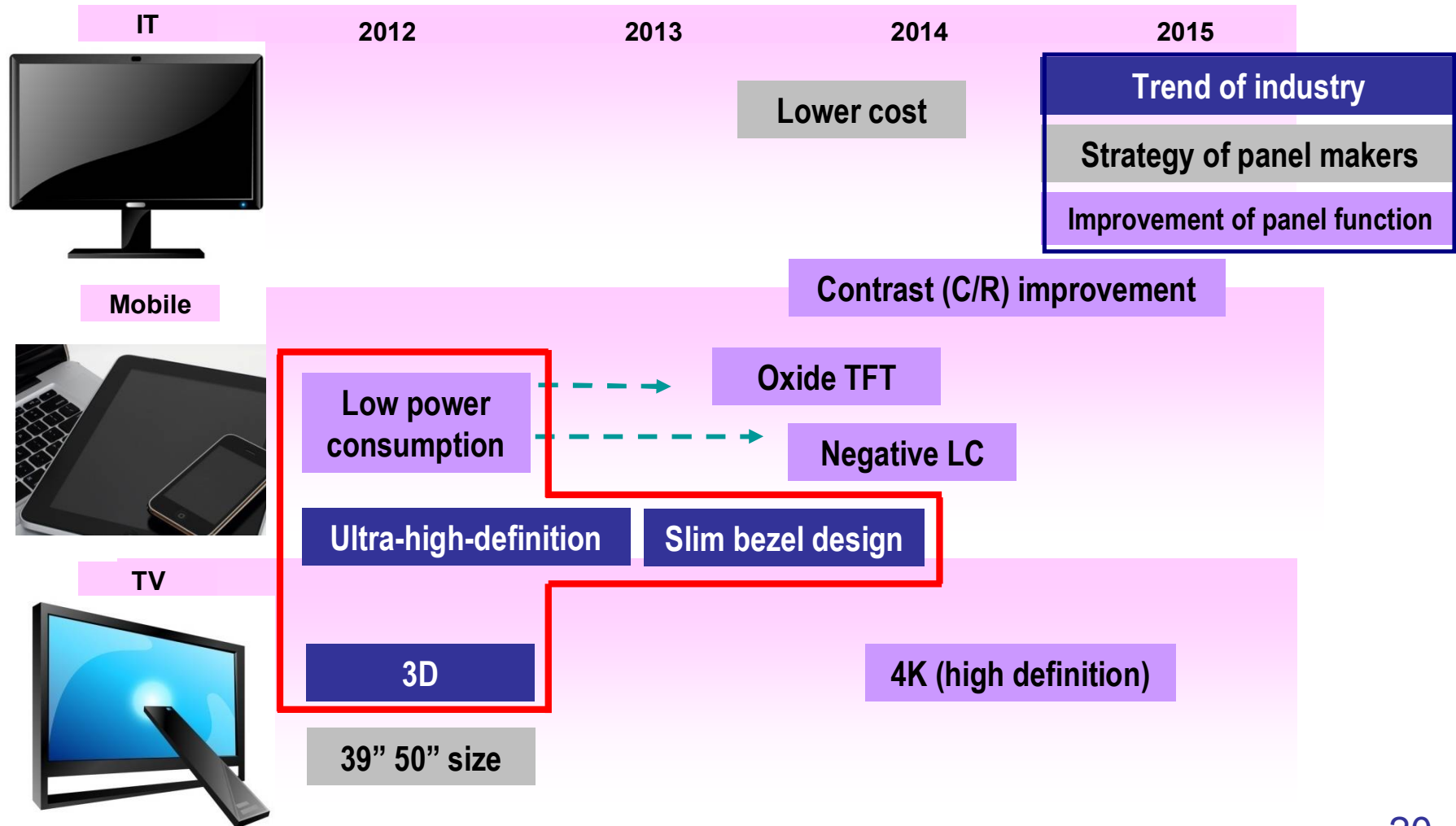


**Plant expansion scheduled in May
2013 for increasing demand**

5) Sources of growth

Performance Materials

-Advanced materials for new alignment technology aiming at high resolution, low cost, and low power consumption



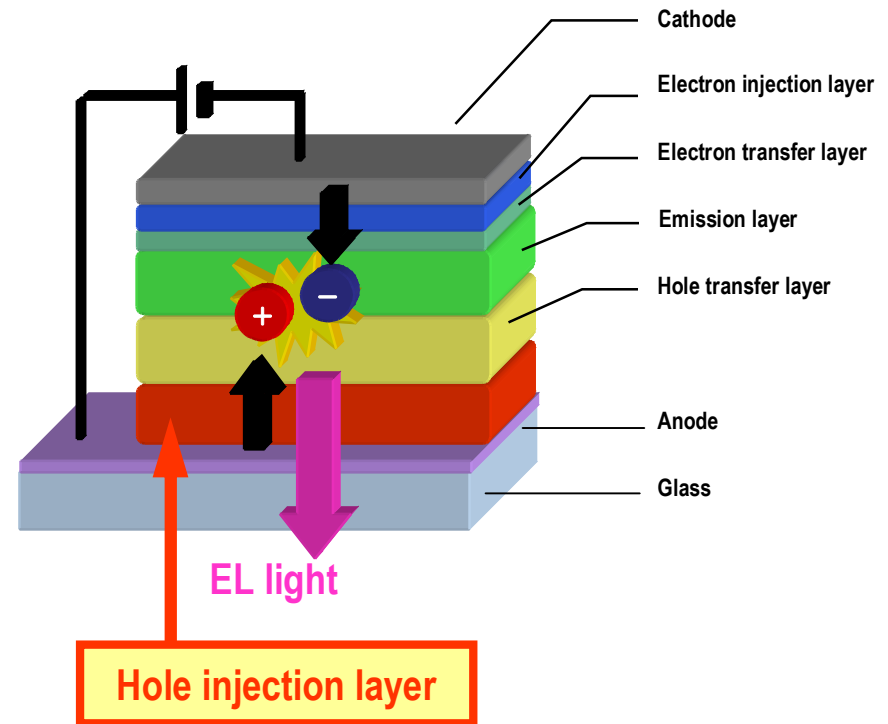
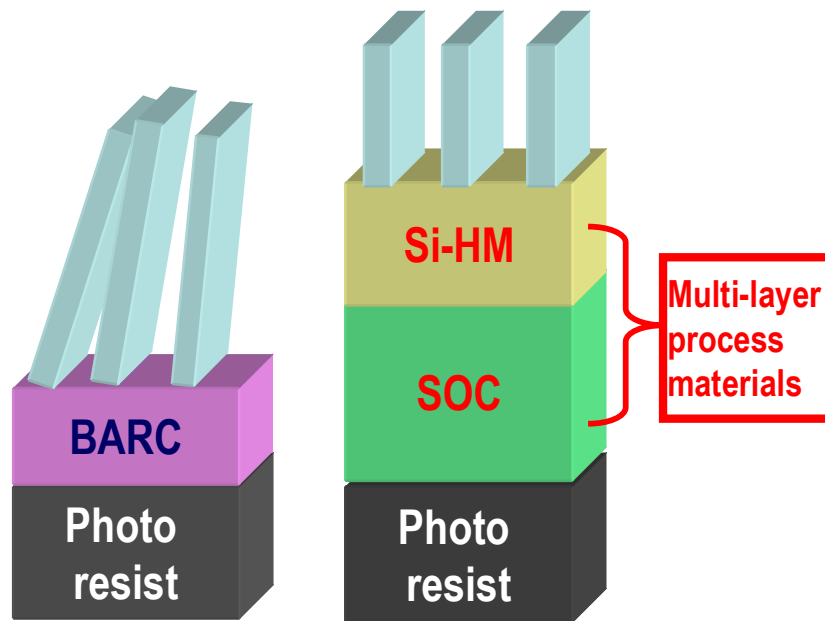
5) Sources of growth

Performance Materials

- Multi-layer process materials for semiconductors
- Materials for hole injection layer in OLED

Multi-layer process materials

Materials for hole injection layer



5) Sources of growth

Agrochemicals

-Expansion of sales

ALTAIR®
(paddy rice herbicide)



Launched four mixed formulations!

“Twinstar”

Effective for particular weeds

“Gekko”

Works longer for barnyard grass

“Ginga”

Works stronger for resistant weeds

“Comet”

More effective for resistant weeds

Targeted sales (at peak): 6 bill Yen

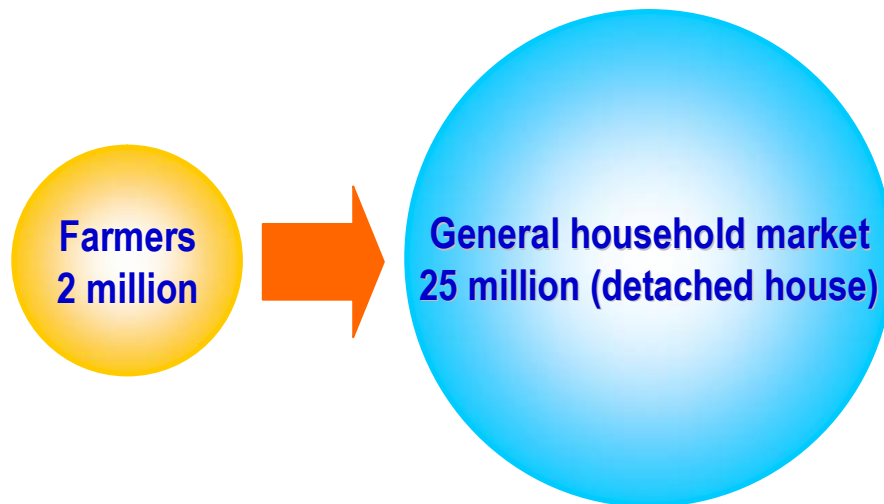
5) Sources of growth

Agrochemicals

-Expansion of sales

ROUNDUP MaxLoad AL
(Non-selective foliage applied herbicide)

Animal health products



for dog/cat to exterminate flea and tick



Accelerating sales targeted on general household
(home center, drug store)

To be launched in 2014

5) Sources of growth

Pharmaceuticals

- Expansion of overseas sales of LIVALO (anti-cholesterol drug)
- Defending domestic sales of LIVALO against generics through approved crystalline form patents

LIVALO: overseas launch



LIVALO: domestic patents

Compound patent expiration:
Aug 2013

Crystalline form patents:
Approved in Jan-Feb 2013
Expiration in 2024

6) Initiatives for 2016 onwards

Materials

Hyper-Branch polymers

Fluoro-polymeric surface modifier



Touch panel

- Transparent fluorine coating
- Anti-fingerprint & anti-fouling coating

Ultra-high refractive index coating materials

- World's highest refractive index as organic matter



LED

Materials for semiconductor

Further high integration



3D packaging materials EUV materials

Materials for flexible displays



E-book

6) Initiatives for 2016 onwards

Life Science

NANOFIBER GEL

Acquired ingredient indication name
(Palmitoyl Dipeptide-18)



Cosmetic field



Quasi-pharmaceutical & medical additive

3D cell culture medium (FCeM)

Non-adhesion culture of cancer cells

Control



FCeM



-Cells do not form a clump and disperse uniformly

6) Initiatives for 2016 onwards

Life Science

Licensed-in product

Vegetables/fruits/paddy rice insecticide
Vegetables/fruits/tea insecticide
Vegetables/fruits fungicide



Agro

In-house product

Vegetables/general purpose insecticide
Paddy rice herbicide
Fungicide



Pharma

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

6) Initiatives for 2016 onwards

R & D



Chemical Research Lab
(Funabashi City)



Biological Research Lab
(Shiraoka City)

Advanced Materials Research Lab (tentative name)

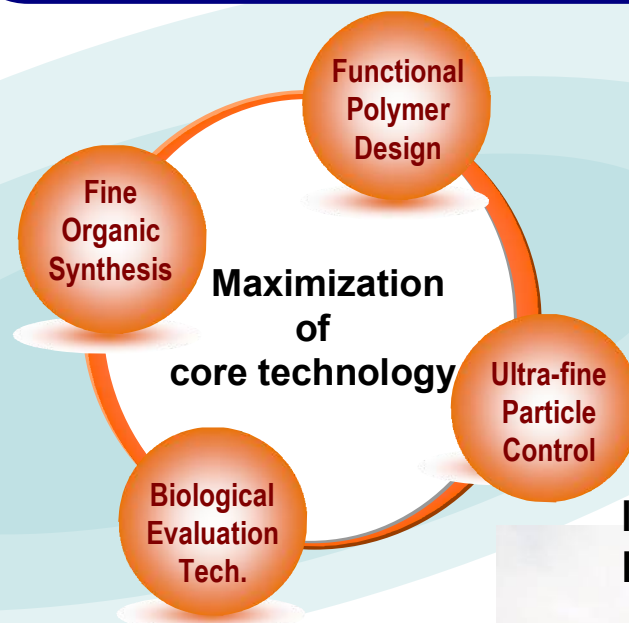
-Creation of new materials
To be completed in Jul
2014 (Cost: 3.4 bill Yen)

Electronic Materials Research Lab (Funabashi City)

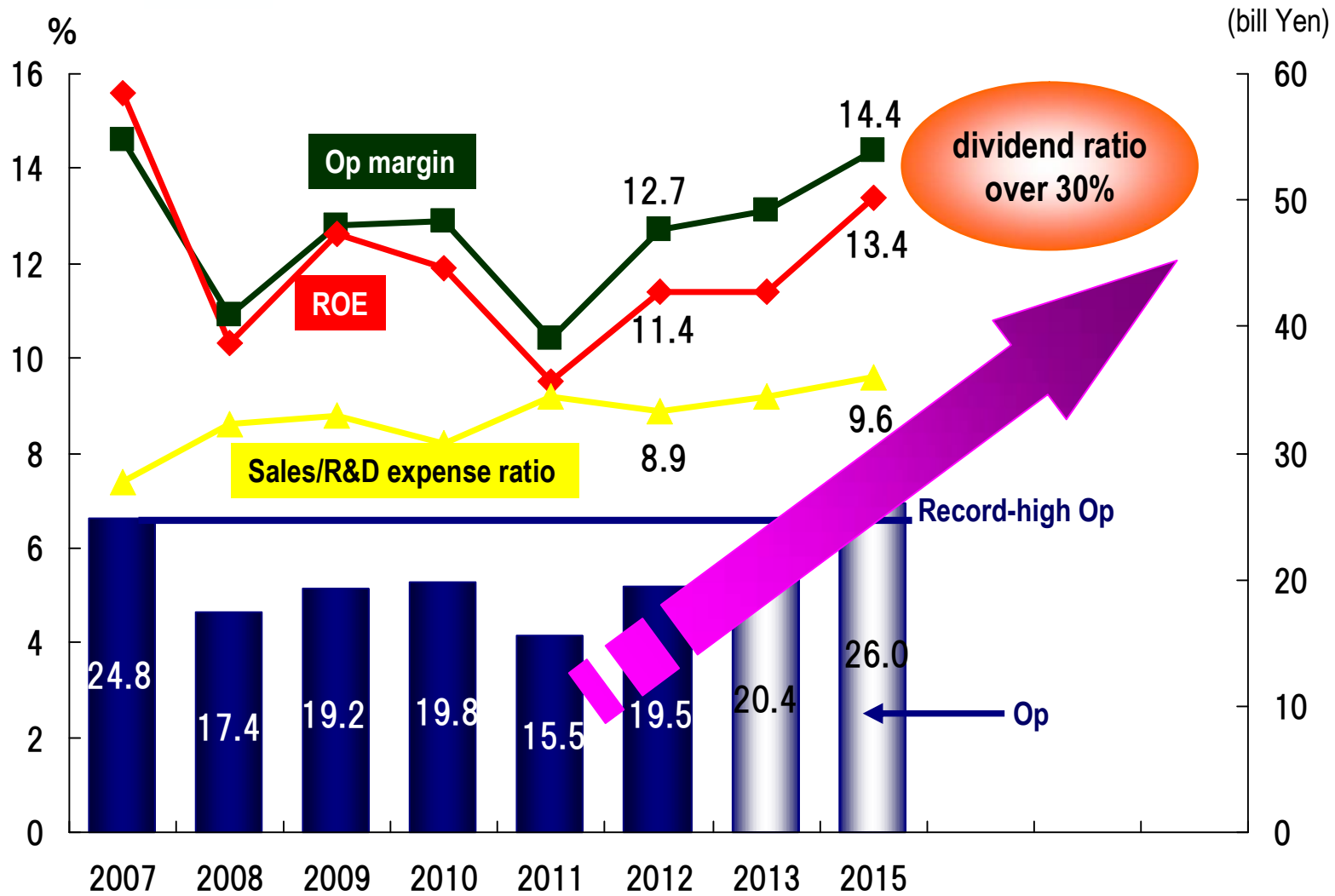


Electronic Materials
Research Lab (Toyama City)

Inorganic Materials Research Lab (Sodegaura City)



7) Financial indicators



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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