

May 12, 2016

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Long-term Business Plan "Progress2030" Mid-term Business Plan "Vista2021"

Translation of presentation materials for the investor meeting held in Tokyo on May 12, 2016

NISSAN CHEMICAL INDUSTRIES, LTD.

1. "Vista2015 Stage II" : Review
2. "Progress2030" : Outline
3. "Vista2021" : Outline
4. "Vista2021 Stage I" (2016~2018) : Outline

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1. “Vista2015 Stage II” :Review

Basic strategies of Stage II

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Stage I (2010~2012)

- ◆ Global economic slowdown
- ◆ The Great East Japan Earthquake
- ◆ Delay in developing new materials

Tasks

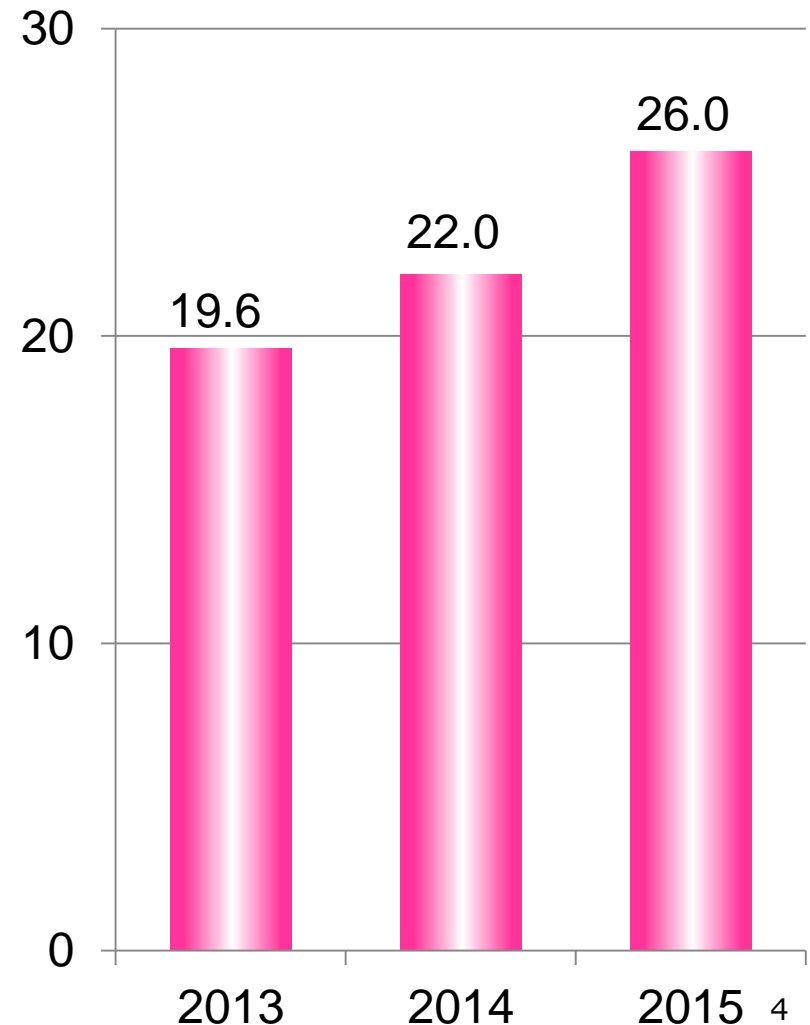
- ◆ Deeper grasp of market & customer needs and quick action
- ◆ Acceleration of new product launching
- ◆ Cost reductions
- ◆ Business expansion in growing overseas market



Basic Strategies of Stage II

- ◆ Creating new businesses & new products
- ◆ Pursuit of business structure reforms

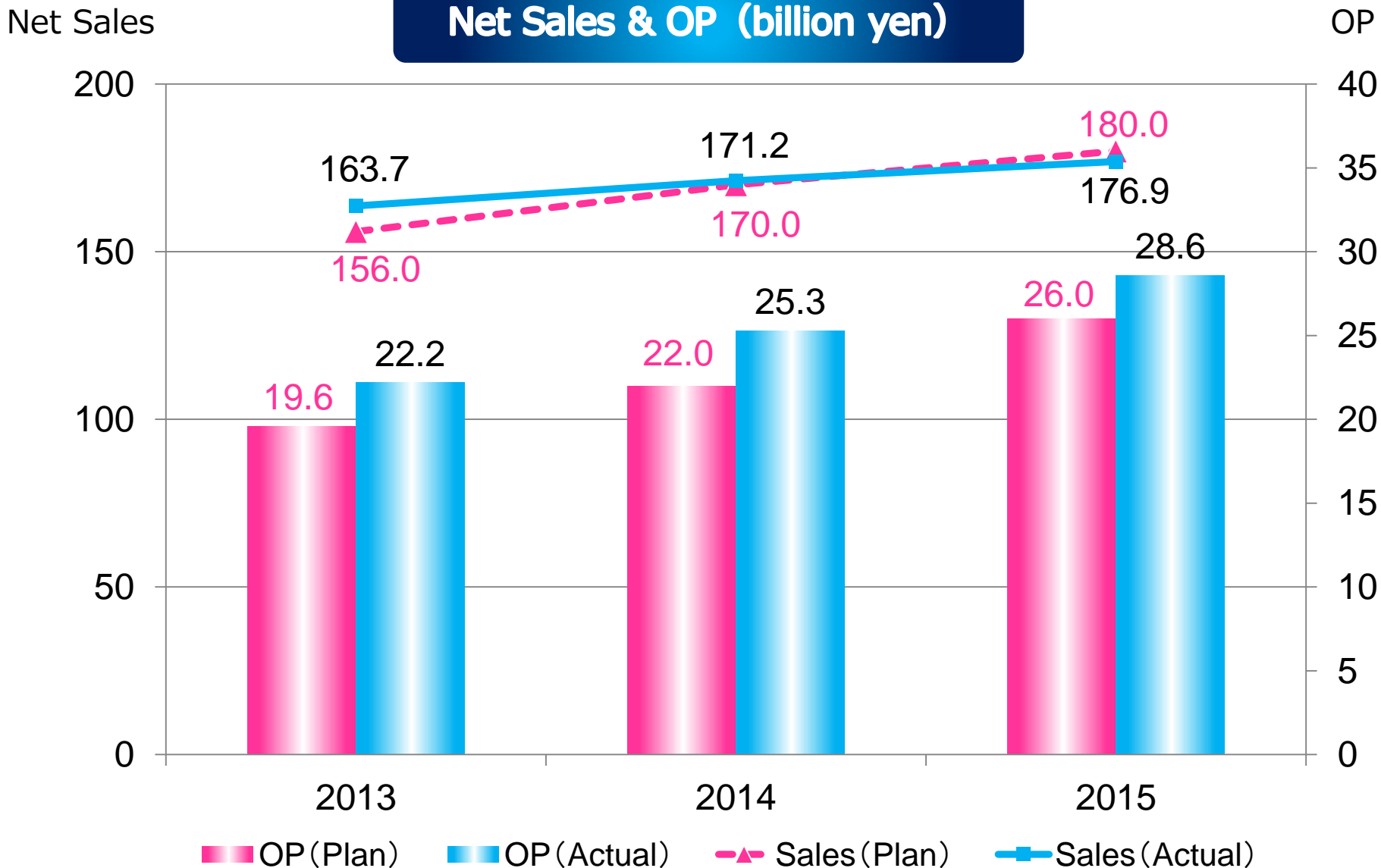
Stage II (2013~2015) OP Target (billion yen)



Financial results(vs. Plan)

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Net Sales & OP (billion yen)

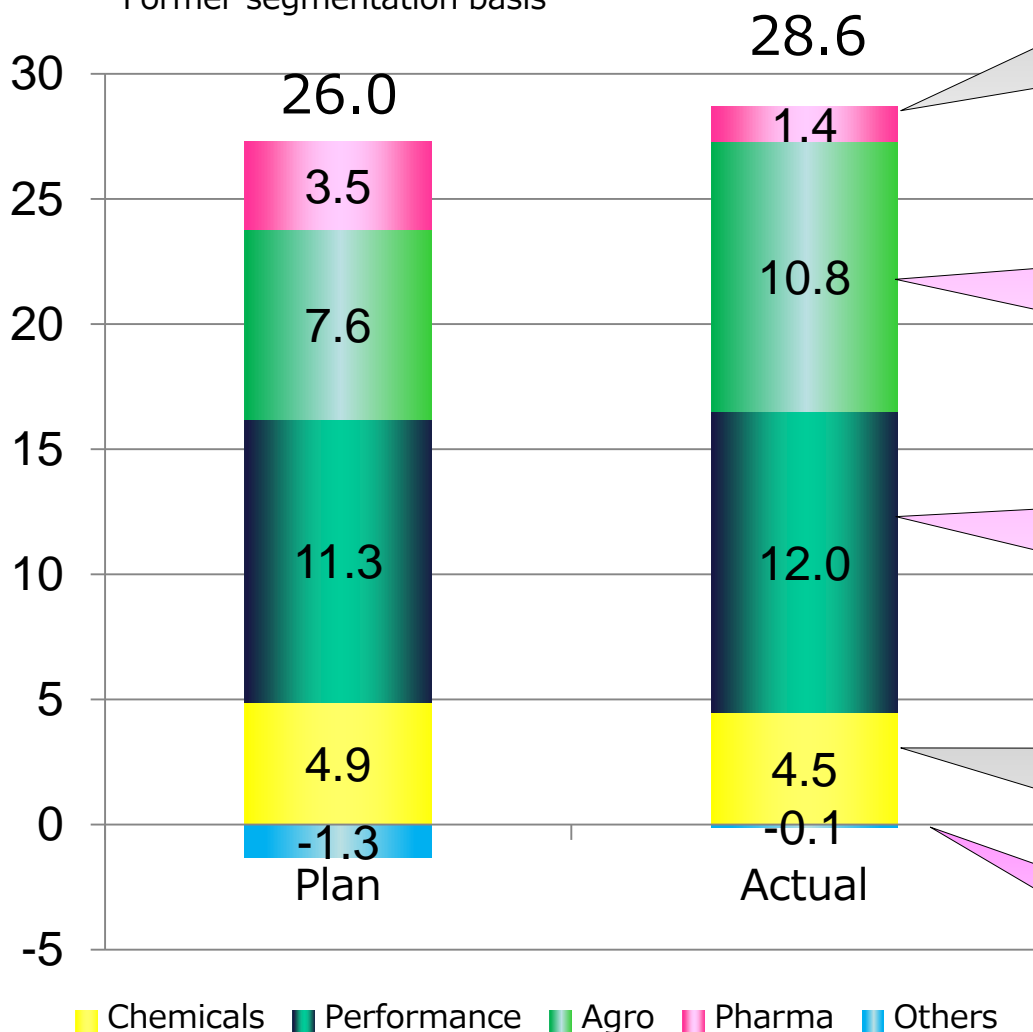


Financial results(vs. Plan)

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2015 OP by segment (billion yen)

Former segmentation basis



Pharma -2.1

LIVALO: Decreased due to generics gaining market share

Agrochemicals +3.2

Fluralaner, ALTAIR and ROUNDUP: Steady growth

Performance Mat. +0.7

Display materials: Sales expansion in smartphone use

Chemicals -0.4

High purity sulfuric acid and TEPIC for electronic materials: Decreased

Others +1.2

Others: Trading, Others, Adjustment

Financial Indicators(vs. Plan)

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2015 Actual

	Plan	Actual
OP margin	14.4%	16.2%
ROE	13.4%	14.6%
R&D expenses / Sales ratio	9.6%	8.9%
Dividend payout ratio	Over 30%	30.7%

Creating new Businesses & new products

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(Businesses)

- ◆ Made progress of the development of Hyper-Branch polymers and NANOFIBERGEL
- ◆ Launched 3D cell culture medium(FCeM®) and its preparation kit
- ◆ Developed stable 3D culture method for large-scale production of human ES/iPS cells

(R&D)

- ◆ Established Materials Research Lab, set up Advanced Materials Research Dept. and Frontier Materials Research Dept.
- ◆ Reconstruction of Biological Research Lab(scheduled for completion in March 2017)



(FCeM® preparation kit)

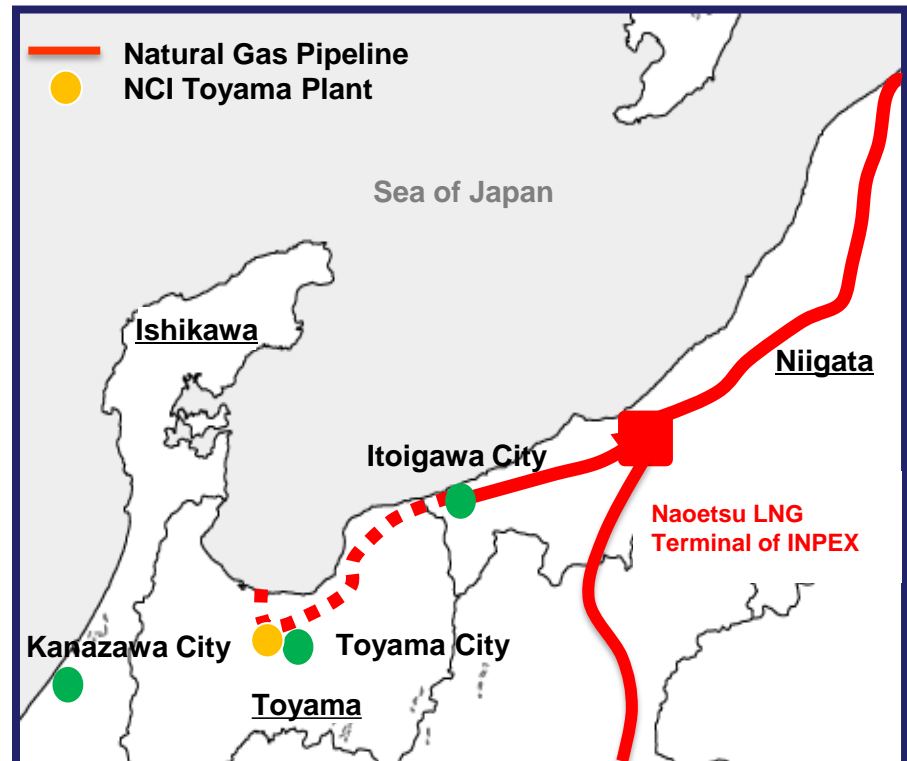


(Materials Research Lab) 8

Pursuit of business structure reforms

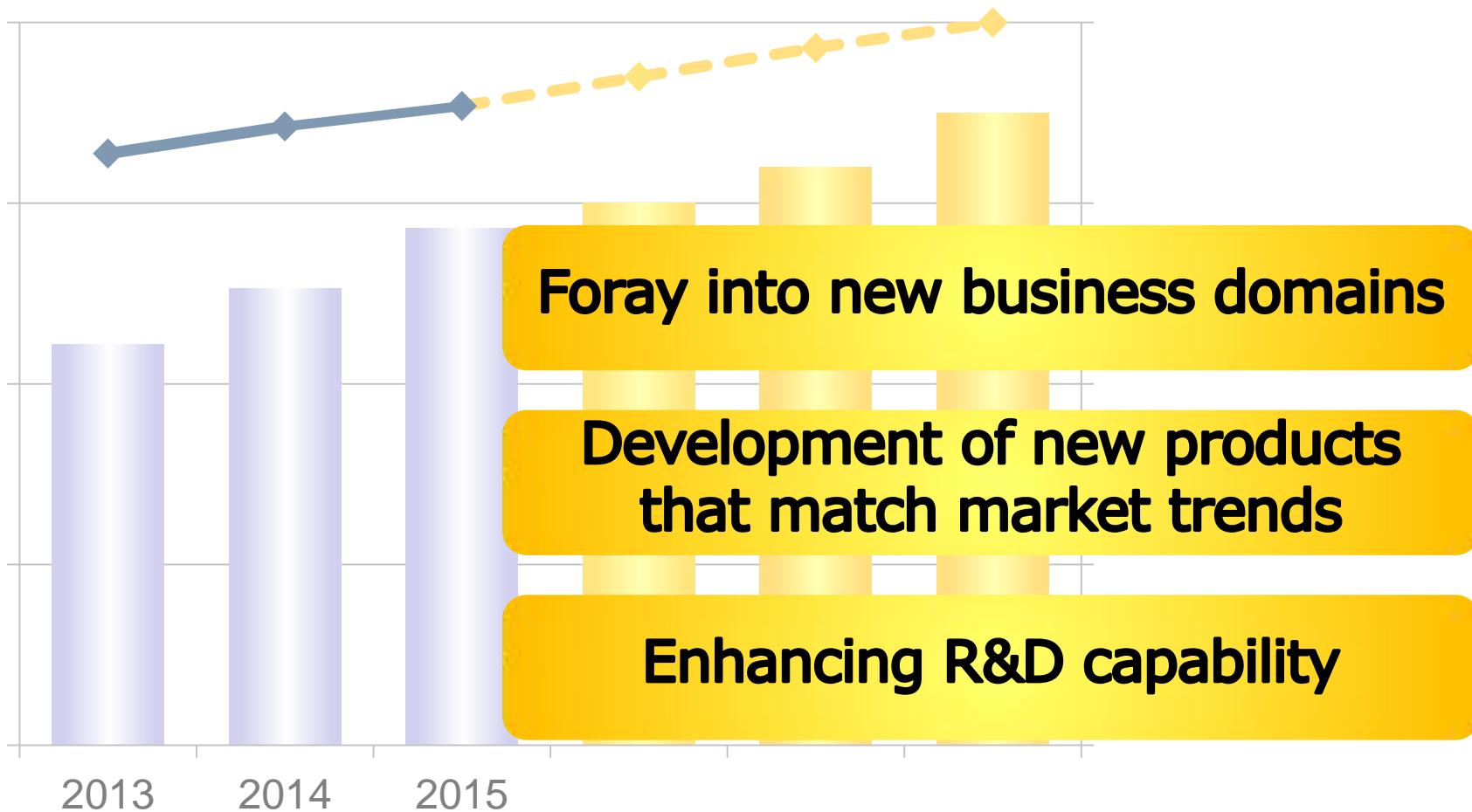
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- ◆ Change of feedstock for ammonia from naphtha to natural gas (to be completed in August 2016)
- ◆ Established Nissan Chemical Product(Shanghai)
- ◆ Produced a studying-abroad program
- ◆ Cost reduction at all plants



Towards the future growth

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**Long-term business plan for the
period to 2030**

**Mid-term business plan which shows
our ideal situation of 2021**

We strive to create better future for human and environment by helping to solve social issues

**Value-Creating Enterprise
that is unique and R&D-oriented**



**Future-Creating Enterprise that responds to social
needs with unique, innovative technologies**

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2. “Progress2030” : Outline

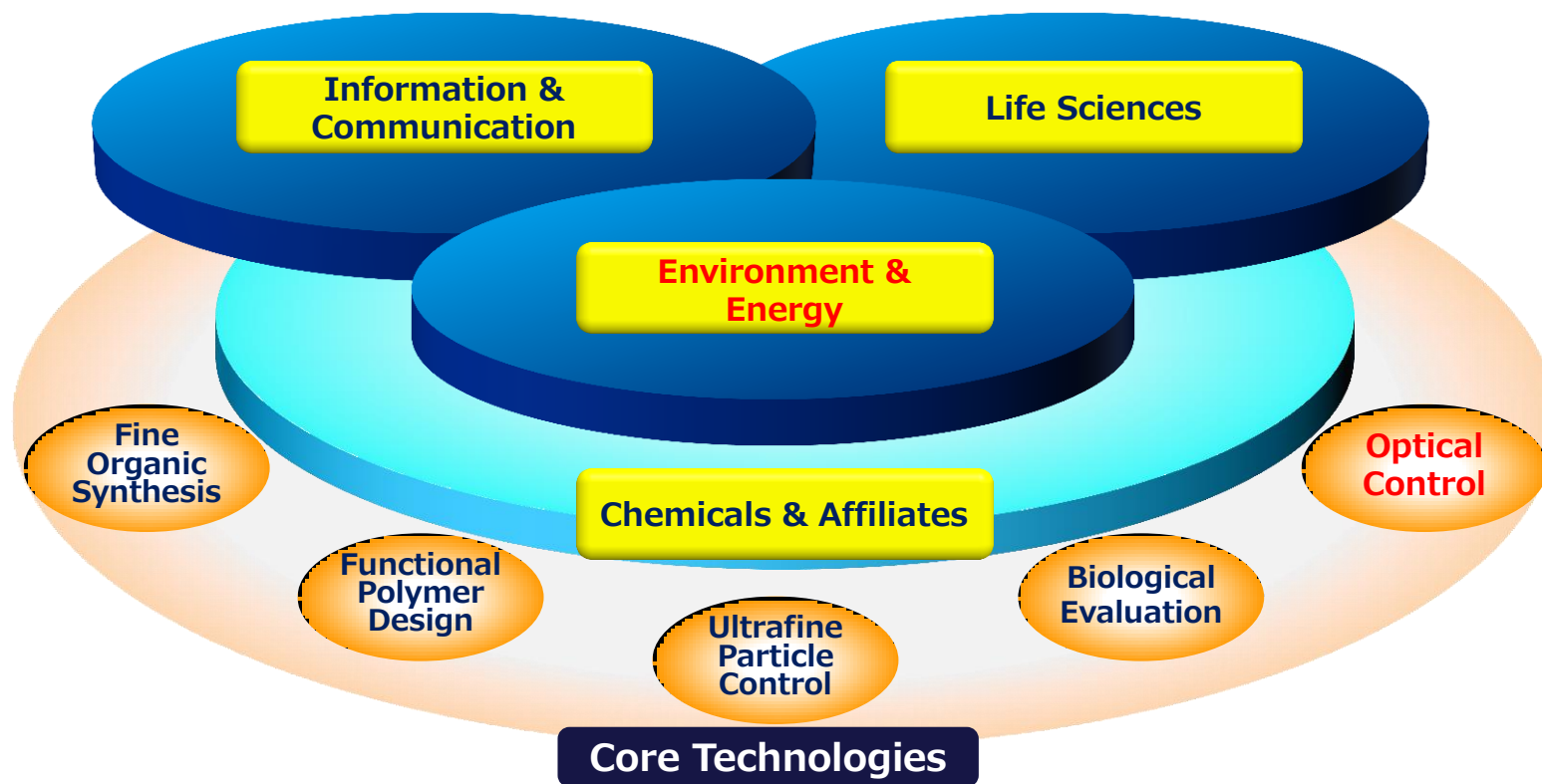
Long-term perspective

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Business environment



4 business domains based on 5 core technologies



**Entering new fields by evolving, deepening
and expanding unique technologies**

Establishing optical control technologies

Provide products based on technological innovations in the market

- Display materials
- Semiconductor materials
- Inorganic materials
- **Sensor materials** : CMOS microlens materials
- **Optical functional materials** : Optical interconnect materials



(Image of optical interconnect)

Creating biomedical materials

Contribute to advanced medical care using accumulated technologies for biological evaluation and material design

- Agrochemicals
- Veterinary pharmaceuticals
- Pharmaceuticals
- **Biomedical materials** : Cell culture and biocompatible materials

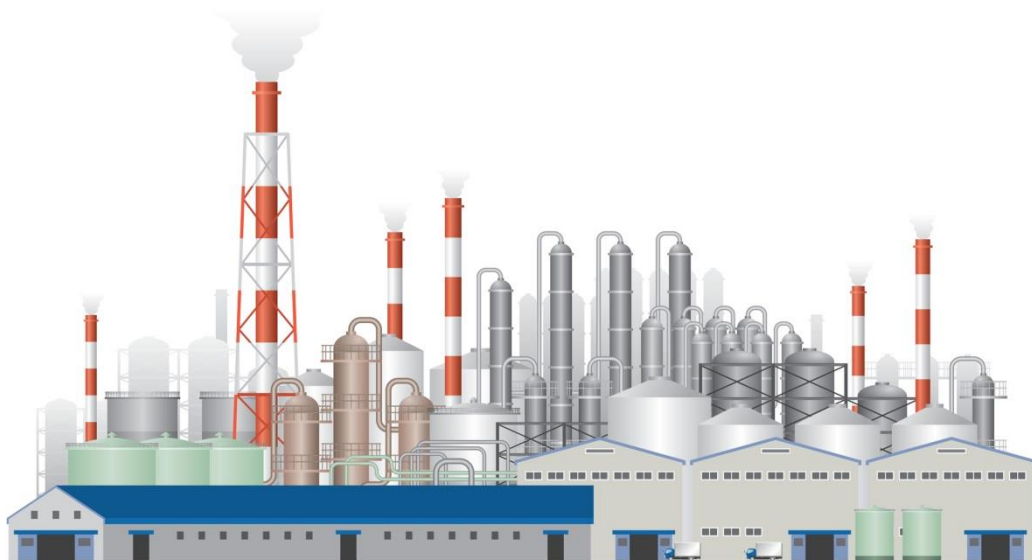


(Dialysis machine)

Establishing a device evaluation technology

*Supply materials that contribute to
efficient use of energy*

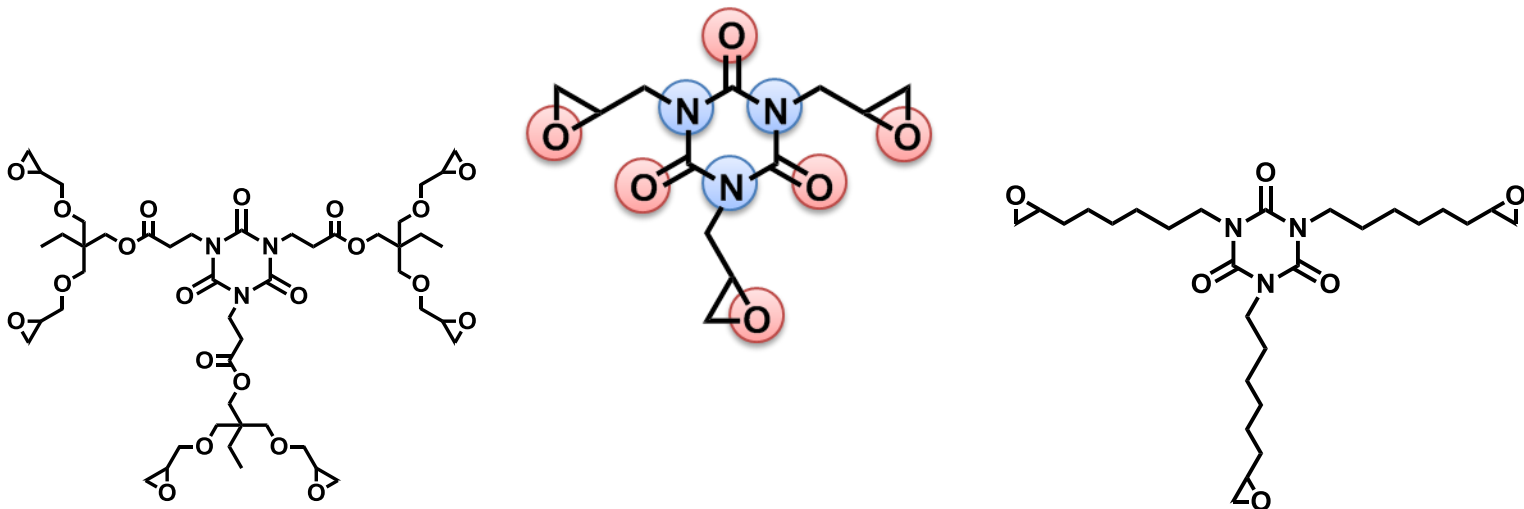
- **Battery materials** : Secondary battery materials
- **Energy harvesting materials**
- **Thermal control materials**



(Lithium-ion battery)

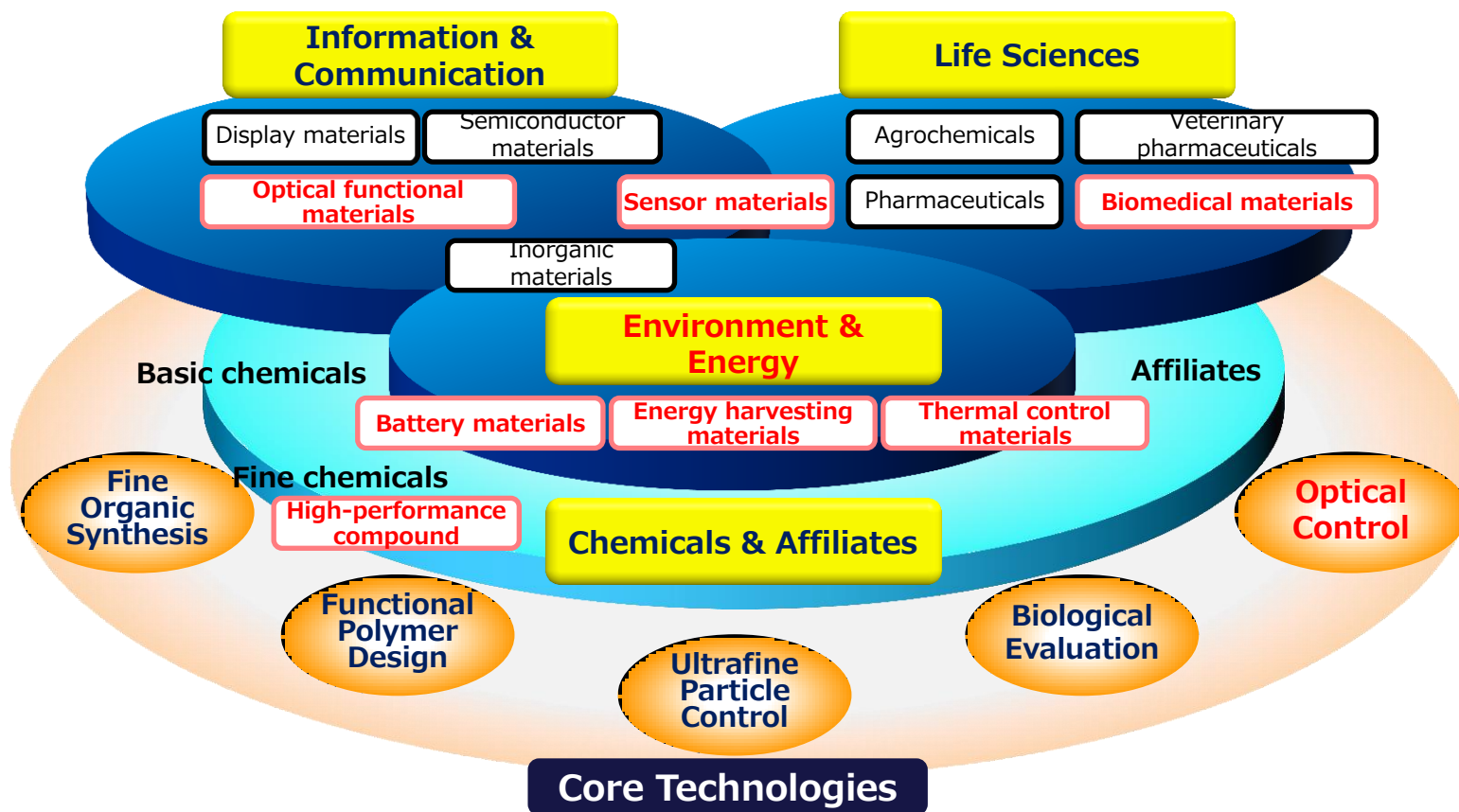
Introducing high-performance compounds

- Basic chemicals
- Fine chemicals : New materials related to TEPIC
- Affiliates



Business scale

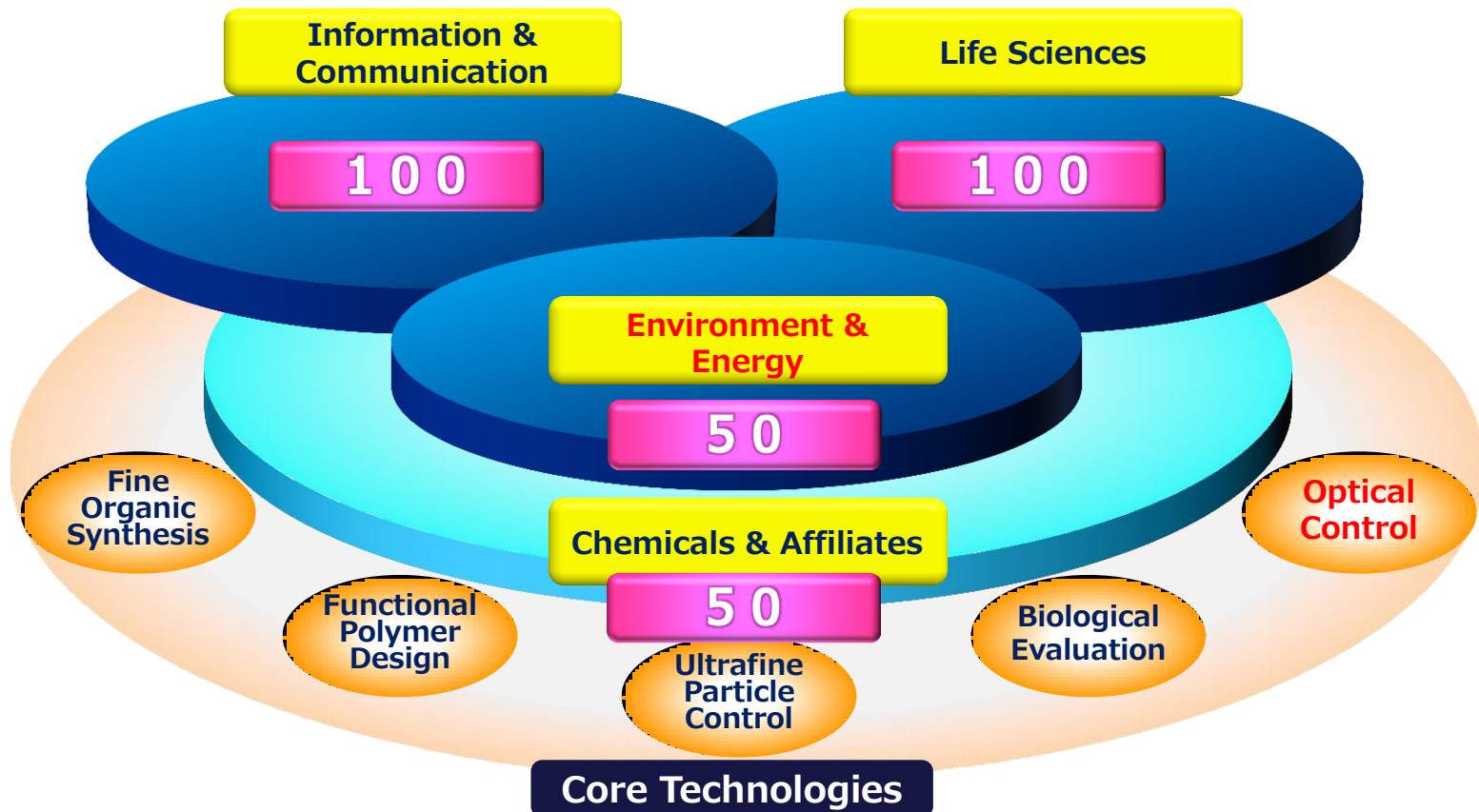
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Business scale

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**Aiming for net sales of 300 billion yen
and operating profit of 50 billion yen**



3. “Vista2021” : Outline

Stage I (2016~2018)

Stage II (2019~2021)

Ideal situation of 2021

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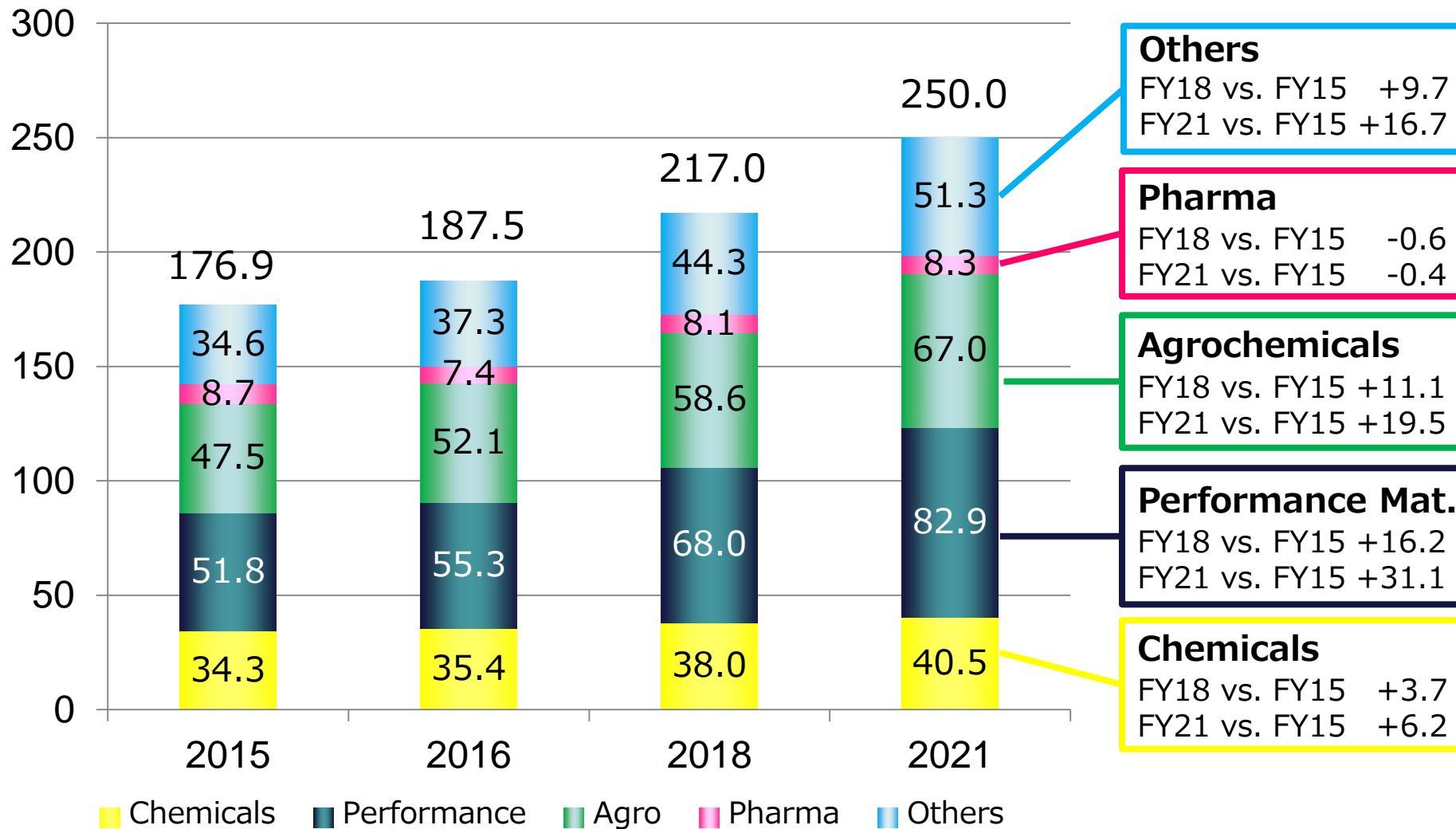
**“Information & Communication” and “Life Sciences”
are the driving force for growth while
“Chemicals & Affiliates” achieve a stable profit**

**Establish the foundation of “Environment & Energy” and a position
as a promising chemical manufacturer that keeps moving forward
with a strong presence**

Target: Net sales

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Billion yen



■ Chemicals
 ■ Performance
 ■ Agro
 ■ Pharma
 ■ Others

Others: Trading, Others, Adjustment

Naphtha (¥/KL) :

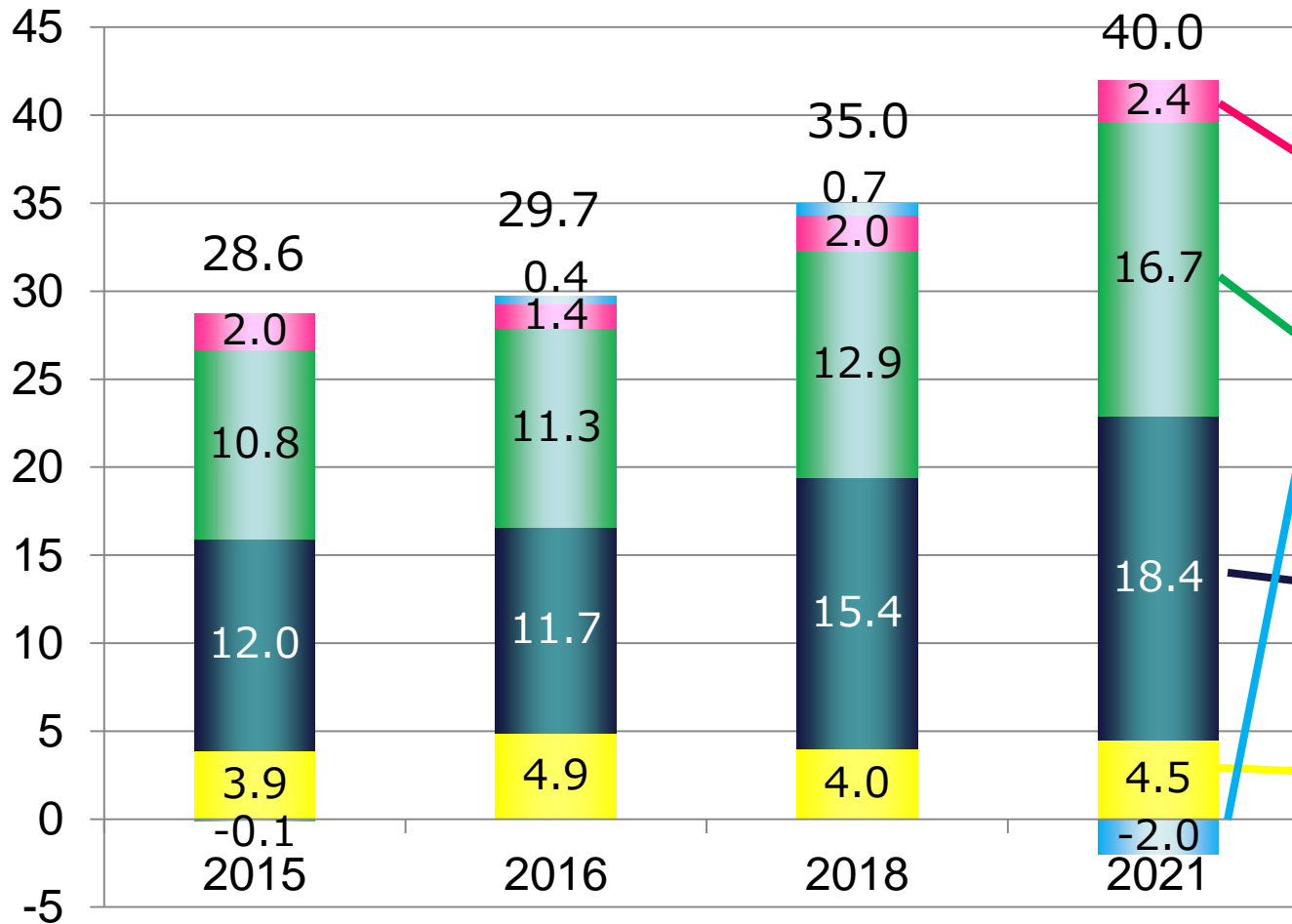
FY2015 42,800 FY2016 35,400 FY2017 onward 51,100

FX rate (¥/\$) :FY2015 1H 122 2H 118 FY2016 onward 115

Target: OP

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Billion yen



Others
 FY18 vs. FY15 +0.8
 FY21 vs. FY15 -1.9

Pharma
 FY18 vs. FY15 0
 FY21 vs. FY15 +0.4

Agrochemicals
 FY18 vs. FY15 +2.1
 FY21 vs. FY15 +5.9

Performance Mat.
 FY18 vs. FY15 +3.4
 FY21 vs. FY15 +6.4

Chemicals
 FY18 vs. FY15 +0.1
 FY21 vs. FY15 +0.6

■ Chemicals
 ■ Performance
 ■ Agro
 ■ Pharma
 ■ Others

Others: Trading, Others, Adjustment

Naphtha (¥/KL) :
 FY2015 42,800 FY2016 35,400 FY2017 onward 51,100
 FX rate (¥/\$) :FY2015 1H 122 2H 118 FY2016 onward 115

Resource allocation

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R&D expenses

Capex

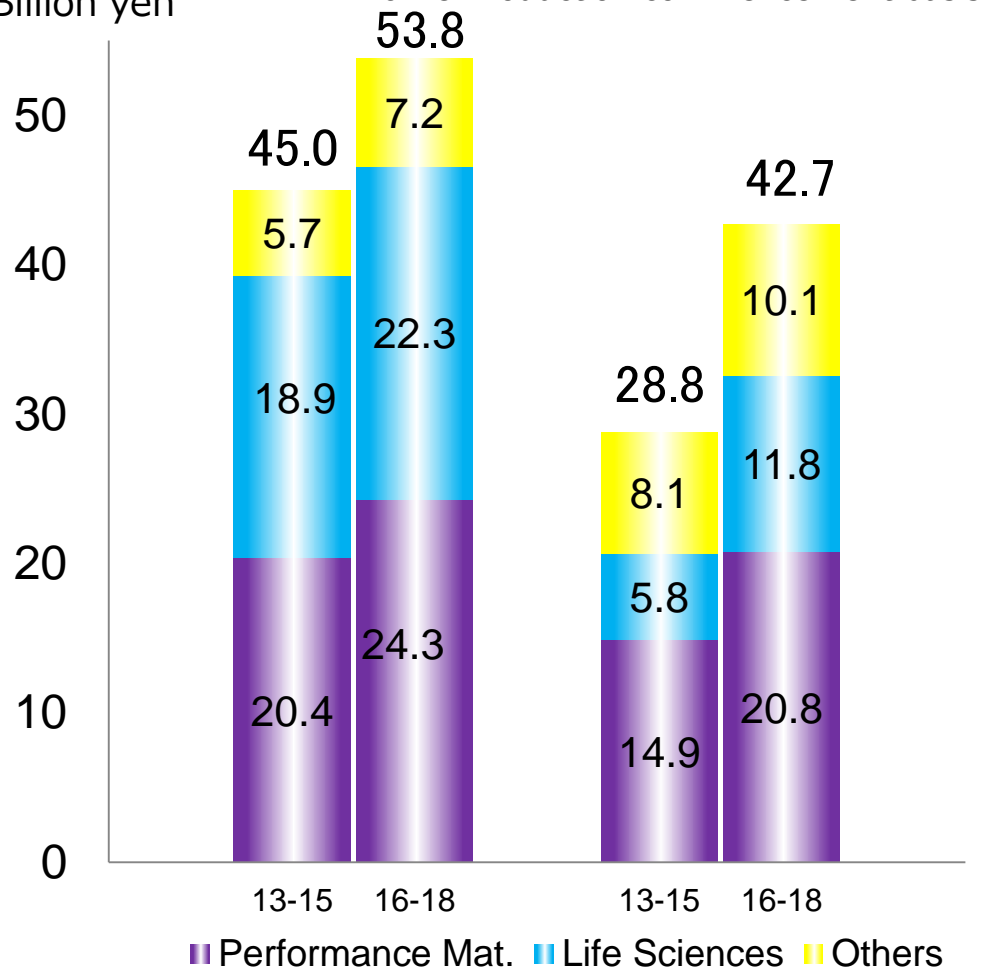
Researchers

Three year total

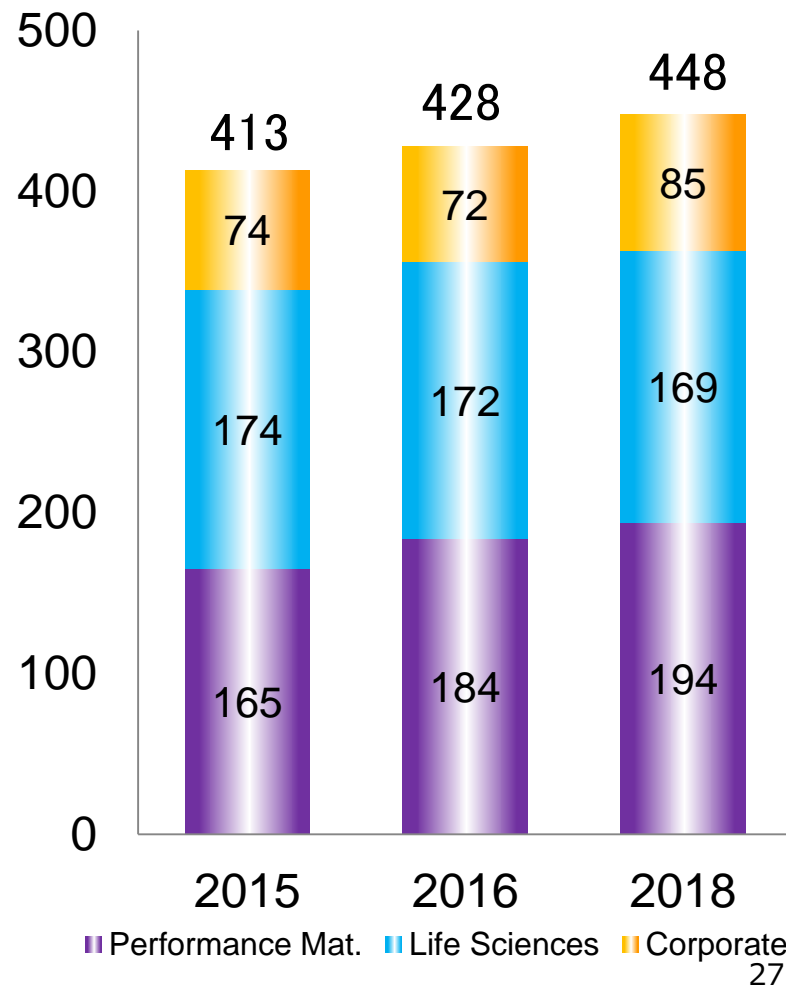
Capex : FY13-15 Acceptance basis

FY16-18 Production commencement basis

Billion yen



Person



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4. “Stage I (FY2016~2018)” : Outline

Basic strategies

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Maximizing the profit from
existing products

Improving marketing power

Enhancing R&D capability

Stage I
2016-2018

Stage II
2019-2021

2030

Chemicals

- ① Increasing sales of AdBlue® and high purity ammonia
- ② Expanding sales of TEPIC® in new grades



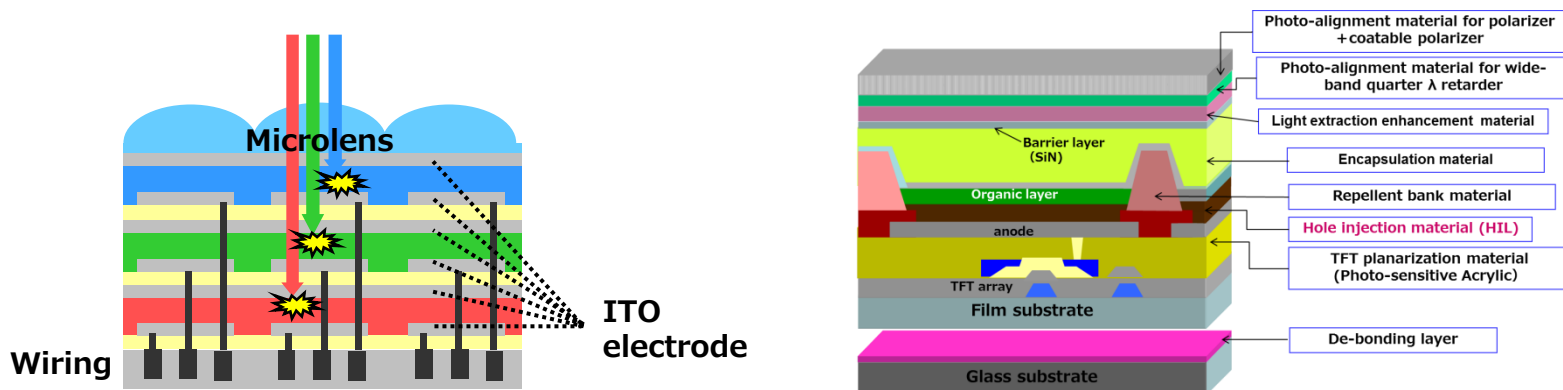
(AdBlue® container)



(LED) 30

Performance Materials

- ① Increasing sales of display materials for photo-alignment IPS and HYPERTECH®
- ② Expanding sales of anti-reflective coating materials for semiconductors, and multilayer process materials and launching sensor materials
- ③ Entering the oil & gas business fields with selling chemicals that enhance productivity of shale oil
- ④ Developing materials for OLED and growing sales
- ⑤ Enhancing production sites and customer services in overseas



Agrochemicals

- ① Increasing sales of ALTAIR® and launching a new product line of ROUNDUP®
- ② Establishing overseas subsidiaries and growing sales in overseas markets
- ③ Expanding application of Fluralaner to “spot on” drugs for dogs and cats



Pharmaceuticals

- ① Licensing-out new API and enhancing the pipeline
- ② Expanding the business of custom manufacturing service for API of high-value generic drugs



(Research instruments)

Information & Communication

- ① Developing materials for heat-resistant lenses, light control film and optical interconnect
- ② Creating next-generation display and semiconductor materials



(Image of a photo shoot with smartphone)



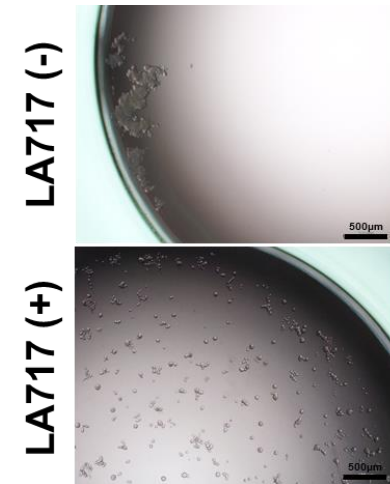
(Automotive window)

Life Sciences

- ① Developing NC-515 insecticide, new fungicides and paddy rice herbicides
- ② Jointly developing NIP-022, a platelet increasing agent, and promoting the research collaboration of antifungal drugs
- ③ Achieving global standardization of cell culture materials



(FcEM® series)



(SphereMax™)

Environment & Energy

- ① Developing materials for secondary batteries and fuel cells
- ② Creating energy harvesting materials



(Solar panel)

R&D

- ① Acquiring seeds in the field of biomedical materials
- ② Introducing cutting-edge technologies through open innovations
- ③ Developing new business fields by strengthening and fusion of core technologies



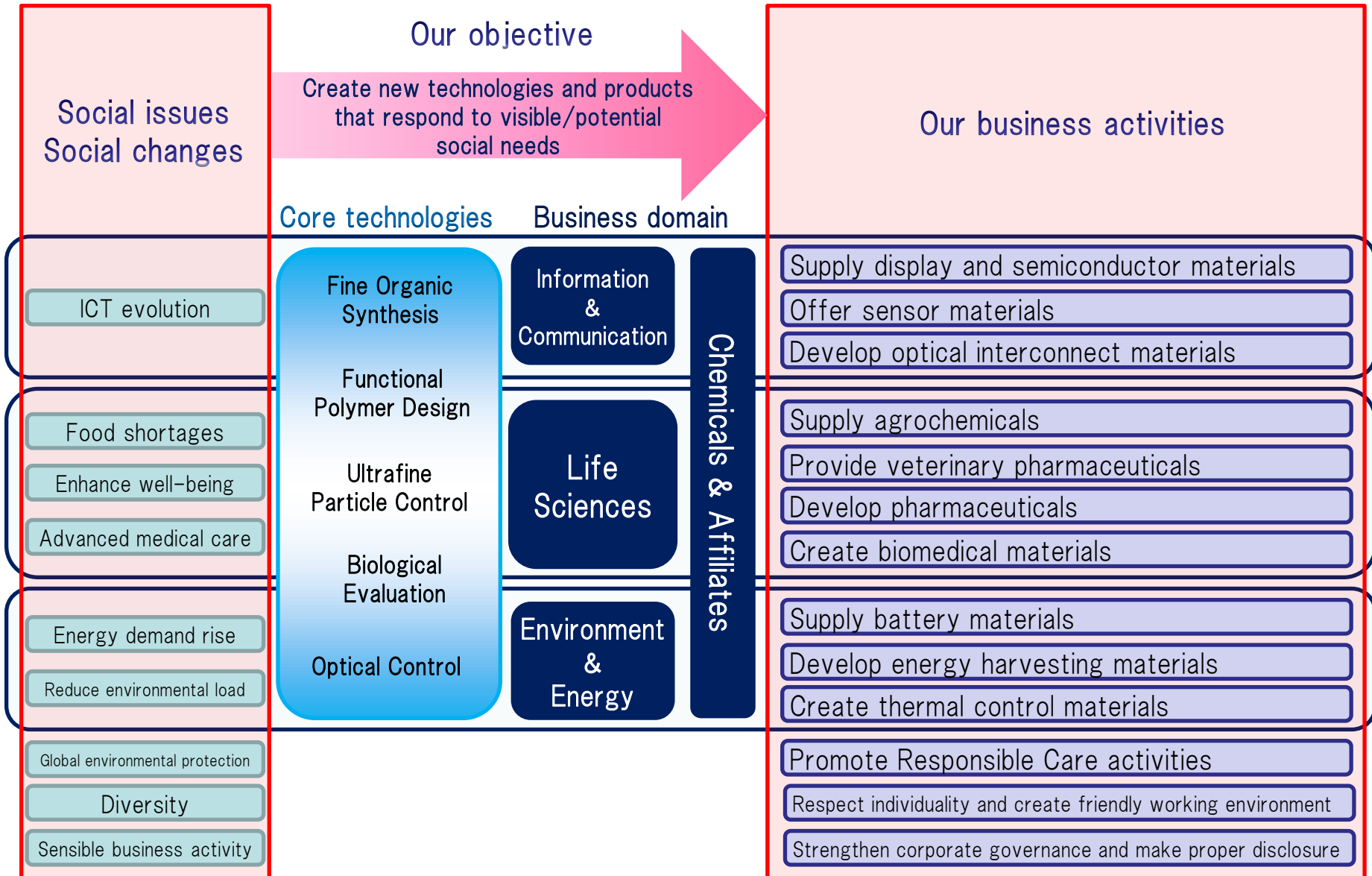
(Collaboration with Kyushu University)

Financial indicators

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	FY2015 Actual	FY2018 Target
OP margin	16.2%	15% or higher
ROE	14.6%	14% or higher
R&D expenses / Sales ratio	8.9%	8% or higher
Dividend payout ratio	30.7%	40%
Total payout ratio	70.8%	Maintaining 70%

Future-Creating Enterprise that responds to social needs with unique, innovative technologies



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.

No information in this material is provided as an offer to buy or sell the shares of the company. We urge users of the material to make investment decision based upon own judgment.