



**Nissan Chemical**  
CORPORATION

# Presentation for Investors

**3Q FY2021 (April 1- December 31, 2021) Financial Results**

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Translation of presentation materials for the conference call held on February 4, 2022

**Institutional  
Investor**  
**2021 JAPAN EXECUTIVE TEAM**  
MOST HONORED COMPANY  
**NISSAN CHEMICAL CORPORATION**

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3Q vs. 3Q FY2020

- Sales up ¥5.8 billion (+13%)
- OP up ¥7.0 billion (+124%) (Including changes in accounting policies ¥4.0 billion<sup>1</sup>)
- Net Income up ¥4.8 billion (+108%)

1-3Q Total<sup>2</sup> vs. 1-3Q FY2020

- Sales up ¥3.1 billion (+2%)
- OP up ¥10.3 billion (+44%) (Including changes in accounting policies ¥3.1 billion<sup>1</sup>)
- Net Income up ¥7.2 billion (+39%)
- OP, Ordinary Income and Net Income set a new record

3Q vs. 3Q Outlook  
as of Nov 2021

- Sales above target ¥2.8 billion
- OP above target ¥3.2 billion
- Net Income above target ¥2.0 billion

Shareholder Returns

- 1H dividend ¥50(¥4 up vs. 1H FY2020 Actual)
- Completed a ¥7.0 billion share repurchase program in July 2021 (1,262 thousand shares)

1. Effects of changes in accounting policies (see p5, p51) 2. Hereinafter referred to as 1-3Q

# 3Q FY2021 Financial Summary YOY Change

(¥billion)

	FY2020 Actual			FY2021 Actual <sup>1</sup>			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	94.5	43.7	138.2	91.8	49.5	141.3	-2.7 (-3%)	+5.8 (+13%)	+3.1 (+2%)
Operating Profit <sup>2</sup>	18.0	5.6	23.6	21.3	12.6	33.9	+3.3 (+19%)	+7.0 (+124%)	+10.3 (+44%)
Non-Operating Income/Expenses	0.2	0.2	0.4	1.0	0.9	1.9	+0.8	+0.7	+1.5
Ordinary Income <sup>2</sup>	18.2	5.8	24.0	22.3	13.5	35.8	+4.1	+7.7	+11.8
Extraordinary Income/Loss	1.1	0.0	1.1	0.0	0.2	0.2	-1.1	+0.2	-0.9
Net Income <sup>2-3</sup>	13.9	4.5	18.4	16.3	9.3	25.6	+2.4	+4.8	+7.2
EBITDA <sup>4</sup>	22.8	8.3	31.1	26.0	15.2	41.2	+3.2	+6.9	+10.1
EPS (¥/share) <sup>2</sup>	95.96	30.97	126.93	113.94	65.64	179.58	+17.98	+34.67	+52.65
OP Margin <sup>2</sup>	19.0%	12.9%	17.1%	23.2%	25.5%	24.0%	+4.2%	+12.6%	+6.9%
FX Rate (¥/\$)	107	105	106	110	114	111	-	-	-
Crude Oil (JCC) (\$/bbl) <sup>5</sup>	36	44	38	70	80	74	-	-	-

1. FY2021 Actual: Including effects of changes in accounting policies (see p51)

2. FY2020 Actual: Amortization expense of the fungicide DITHANE (MANCOZEB) business, which was provisionally calculated with an amortization period of 5 years at that time, was revised to the final value of 15.6 years (weighted average) amortization after the accounting audit. As a result, OP and ordinary income have been revised by about +60 million yen and net income has been revised by about +40 million yen from the figures announced in 3Q FY2020. The only affected segment is Adjustment. Only the breakdown of 3Q and 4Q FY2020 has been revised, and there is no effect on 1H FY2020 and full year FY2020.

3. Net Income = Profit Attributable to Owners of Parent

4. EBITDA = Operating Profit + Depreciation and amortization

5. Based on Trade Statistics of Japan Ministry of Finance

## Impact of Changes in Accounting Policies

(¥billion)

(YOY Change) (see p51)	FY2021 Actual		
	1H	3Q	1-3Q
Sales Impact <sup>6</sup>	-10.9	-1.7	-12.6
OP Impact <sup>7</sup>	-0.9	+4.0	+3.1

6. Agent transactions, Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease

7. Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease

# 3Q FY2021 Financial Summary Compared to Outlook

(¥billion)

	FY2021 Outlook		FY2021 Actual <sup>1</sup>		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	46.7	138.5	49.5	141.3	+2.8
Operating Profit	9.4	30.7	12.6	33.9	+3.2
Non-Operating Income/Expenses	0.4	1.4	0.9	1.9	+0.5
Ordinary Income	9.8	32.1	13.5	35.8	+3.7
Extraordinary Income/Loss	0.0	0.0	0.2	0.2	+0.2
Income taxes and non-controlling interests <sup>2</sup>	-2.5	-8.5	-4.4	-10.4	-1.9
Net Income <sup>2</sup>	7.3	23.6	9.3	25.6	+2.0
EBITDA <sup>2-3</sup>	-	-	15.2	41.2	-
EPS (¥/share)	-	-	65.64	179.58	-
OP Margin	20.1%	22.2%	25.5%	24.0%	-
FX Rate (¥/\$)	107	109	114	111	-
Crude Oil (JCC) (\$/bbl) <sup>5</sup>	75	72	80	74	-

1. FY2021 Actual: Including effects of changes in accounting policies (see p5, p51)

2. Income taxes and non-controlling interests in 3Q FY2021 Outlook is revised due to incorrect figures.

3Q FY2021 Outlook before the revision was -1.0 billion yen for 3Q and -7.0 billion yen for 1-3Q.

Net income is revised as well. 3Q FY2021 Outlook before the revision was 8.8 billion yen for 3Q and 25.1 billion yen for 1-3Q.

3. Net Income = Profit Attributable to Owners of Parent 4. EBITDA = Operating Profit + Depreciation and amortization 5. Based on Trade Statistics of Japan Ministry of Finance

# Analysis of Changes in OP

(¥)

3Q

	FY2021 Actual	FY2020 Actual	YOY Change	Outlook	vs. Outlook
	<b>12.6 billion</b>	<b>5.6 billion</b>	<b>+7.0 billion(+124%)</b>	<b>9.4 billion</b>	<b>+3.2 billion</b>
Chemicals	YOY Change +0.6 billion		Sales increase in melamine, TEPIC and environmental related products		
	vs. Outlook +0.3 billion		Sales increase in melamine and TEPIC		
Performance Materials	YOY Change +1.3 billion		Sales increase in Display Materials and Semis Materials		
	vs. Outlook +1.0 billion		Sales increase in Display Materials and Semis Materials, and recovery of Inorganic Materials		
Agro	YOY Change +4.4 billion		Effects of changes in accounting policies (Fluralaner royalties recognized and sales discount cost down), sales increase in QUINTEC, DITHANE and GRACIA		
	vs. Outlook +1.1 billion		Fluralaner royalties above target, sales increase in QUINTEC, ROUNDUP and GRACIA		
Pharma	YOY Change +0.4 billion		Custom Chemicals sales increase despite LIVALO sales decrease		
	vs. Outlook +0.1 billion		Custom Chemicals sales above target		

1-3Q

	FY2021 Actual	FY2020 Actual	YOY Change	
	<b>33.9 billion</b>	<b>23.6 billion</b>	<b>+10.3 billion(+44%)</b>	
Chemicals	YOY Change +1.9 billion		Sales increase in melamine, TEPIC and environmental related products	
Performance Materials	YOY Change +3.8 billion		Sales increase in Display Materials and Semis Materials	
Agro	YOY Change +3.6 billion		Effects of changes in accounting policies (Fluralaner royalties sales increase and sales discount cost down), sales increase in QUINTEC and DITHANE	
Pharma	YOY Change +0.9 billion		Custom Chemicals sales increase despite LIVALO sales decrease	

# Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Loss

(¥billion)

	FY2020 Actual			FY2021 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
<b>Non-Operating Income</b>	<b>0.95</b>	<b>0.64</b>	<b>1.59</b>	<b>1.36</b>	<b>1.05</b>	<b>2.41</b>	<b>+0.41</b>	<b>+0.41</b>	<b>+0.82</b>
Interest income, dividend income	0.35	0.36	0.71	0.32	0.23	0.55	-0.03	-0.13	-0.16
Foreign exchange gains	0.00	0.00	0.00	0.10	0.21	0.31	+0.10	+0.21	+0.31
Equity in earnings of affiliates, others	0.60	0.28	0.88	0.94	0.61	1.55	+0.34	+0.33	+0.67
<b>Non-Operating Expenses</b>	<b>0.76</b>	<b>0.42</b>	<b>1.18</b>	<b>0.42</b>	<b>0.15</b>	<b>0.57</b>	<b>-0.34</b>	<b>-0.27</b>	<b>-0.61</b>
Interest expense	0.05	0.01	0.06	0.05	0.01	0.06	0.00	0.00	0.00
Foreign exchange losses	0.26	0.19	0.45	0.00	0.00	0.00	-0.26	-0.19	-0.45
Loss on disposal of non-current assets, others	0.45	0.22	0.67	0.37	0.14	0.51	-0.08	-0.08	-0.16
<b>Non-Operating Income/Expenses</b>	<b>0.19</b>	<b>0.22</b>	<b>0.41</b>	<b>0.94</b>	<b>0.90</b>	<b>1.84</b>	<b>+0.75</b>	<b>+0.68</b>	<b>+1.43</b>
Extraordinary Income	1.09	-0.03	1.06	2.82	0.50	3.32	+1.73	+0.53	+2.26
Extraordinary Loss	0.00	0.00	0.00	2.79	0.30	3.09	+2.79	+0.30	+3.09
<b>Extraordinary Income/Loss</b>	<b>1.09</b>	<b>-0.03</b>	<b>1.06</b>	<b>0.03</b>	<b>0.20</b>	<b>0.23</b>	<b>-1.06</b>	<b>+0.23</b>	<b>-0.83</b>

1. 1-3Q FY2020 Actual:

Extraordinary Income ¥1.06 billion (Gain on sales of investment securities ¥1.06 billion, sales amount ¥2.31 billion, sold 13 listed companies shares, sold 100% of our shareholdings of 10 listed companies)

2. 1-3Q FY2021 Actual:

Extraordinary Income ¥3.32 billion (Gain on sales of investment securities ¥3.32 billion, sales amount ¥4.25 billion, sold 7 listed companies shares, sold 100% of our shareholdings of 1 listed company)

Extraordinary Loss ¥3.09 billion (melamine restructuring costs ¥2.16 billion, plant equipment removal cost of Nippon Phosphoric Acid\* ¥0.63 billion, Impairment loss of unlisted stock ¥0.3 billion)

\*Nippon Phosphoric Acid: affiliated company (our share: 35%), Manufacturing and selling sulfuric acid and phosphoric acid liquid.

In accordance with the decision to stop the production of phosphoric acid liquid, the company will bear the costs of removing facilities according to its investment ratio.



Free cash flow in 1-3Q FY2021 was ¥28.2 billion, an increase of ¥4.5 billion from 1-3Q FY2020

(¥billion)

	FY2020 Actual	FY2021 Actual	YOY Change
	1-3Q	1-3Q	
<b>CF from operating activities</b>	<b>34.6</b>	<b>35.0</b>	<b>+0.4</b>
Income before income taxes & non-controlling interests <sup>1</sup>	25.1	36.0	+10.9
Extraordinary loss (income)	-1.1	-0.2	+0.9
Depreciation & amortization <sup>1-2</sup>	7.5	7.3	-0.2
Income taxes paid	-10.8	-12.8	-2.0
Working capital, others <sup>1</sup>	13.9	4.7	-9.2
<b>CF from investing activities</b>	<b>-10.9</b>	<b>-6.8</b>	<b>+4.1</b>
Purchase of PPE	-6.0	-6.2	-0.2
Purchase and sales of investment securities	2.2	4.0	+1.8
Others <sup>3</sup>	-7.1	-4.6	+2.5
<b>Free cash flow</b>	<b>23.7</b>	<b>28.2</b>	<b>+4.5</b>
<b>CF from financing activities</b>	<b>-33.8</b>	<b>-35.5</b>	<b>-1.7</b>
Payout to shareholders (dividend)	-13.6	-15.5	-1.9
Payout to shareholders (share repurchase)	-7.0	-7.0	0.0
Borrowings	-13.2	-13.0	+0.2
Others	0.0	0.0	0.0
Effect of exchange rate change on cash & cash equivalents	0.0	0.1	+0.1
Change in cash & cash equivalents	-10.1	-7.2	+2.9
Cash & cash equivalents at end of period	20.6	25.2	+4.6

1. 1-3Q FY2020 Actual: Figures are revised due to the impact of recalculation of DITHANE amortization (see p5) 2. Including amortization of goodwill

3. 1-3Q FY2020 Actual: Payments for acquisition of the DITHANE business -5.4 , Others -1.7

1-3Q FY2021 Actual: Payments of long-term loans receivable to NBR -3.3, Others -1.3

(¥billion)

	2020/12	2021/3	2021/12	vs. 2021/3
<b>Current assets</b>	<b>130.5</b>	<b>159.6</b>	<b>151.0</b>	<b>-8.6</b>
Cash	20.6	32.4	25.2	-7.2
Accounts receivable	47.3	73.9	60.6	-13.3
Inventories	54.8	46.7	58.1	+11.4
Others	7.8	6.6	7.1	+0.5
<b>Fixed assets</b>	<b>103.3</b>	<b>105.9</b>	<b>103.7</b>	<b>-2.2</b>
Total PPE	51.5	51.8	51.9	+0.1
Intangible assets	12.3	12.1	11.9	-0.2
Investment securities	34.3	35.9	30.8	-5.1
Others	5.2	6.1	9.1	+3.0
<b>Total assets</b>	<b>233.8</b>	<b>265.5</b>	<b>254.7</b>	<b>-10.8</b>

	2020/12	2021/3	2021/12	vs. 2021/3
<b>Liabilities</b>	<b>46.9</b>	<b>64.9</b>	<b>55.3</b>	<b>-9.6</b>
Accounts payable	17.3	16.3	19.6	+3.3
Borrowings	11.3	22.7	9.8	-12.9
Others	18.3	25.9	25.9	0.0
<b>Net assets</b>	<b>186.9</b>	<b>200.6</b>	<b>199.4</b>	<b>-1.2</b>
Shareholders' equity <sup>3</sup>	174.8	186.9	188.6	+1.7
Valuation difference on available-for-sale securities	10.8	11.4	8.3	-3.1
Foreign currency translation adjustment	-0.4	0.1	0.1	0.0
Non-controlling interests	1.7	1.7	2.0	+0.3
Remeasurements of defined benefit plans	0.0	0.5	0.4	-0.1
<b>Total liabilities &amp; net assets</b>	<b>233.8</b>	<b>265.5</b>	<b>254.7</b>	<b>-10.8</b>

## Breakdown of Investment Securities

	2020/12	2021/3	2021/12	vs. 2021/3
<b>Listed shares<sup>1</sup></b>	<b>23.8</b>	<b>24.4</b>	<b>19.1</b>	<b>-5.3</b>
<b>(Number of stocks held<sup>2</sup>)</b>	<b>(35)</b>	<b>(31)</b>	<b>(30)</b>	<b>(-1)</b>
<b>Unlisted shares</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>-0.2</b>
<b>Subsidiaries/Associate shares</b>	<b>7.8</b>	<b>8.8</b>	<b>9.2</b>	<b>+0.4</b>
<b>Total</b>	<b>34.3</b>	<b>35.9</b>	<b>30.8</b>	<b>-5.1</b>

<b>Equity Ratio</b>	<b>79.2%</b>	<b>74.9%</b>	<b>77.5%</b>
<b>D/E Ratio<sup>4</sup></b>	<b>-5.3%</b>	<b>-5.2%</b>	<b>-8.1%</b>

- 2021/3 24.4 + Acquisition 0 – Sales and valuation difference 5.3 = 2021/12 19.1
- Non-consolidated basis
- Change in shareholders' equity +1.7 = Net Income 25.6 - Dividend and others 23.9
- D/E Ratio = (Borrowings - Cash) / Shareholders' equity
- 2020/12: Figures are revised due to the impact of recalculation of DITHANE amortization (see p5)

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# 3Q FY2021 Financial Results YOY Change by Segment

(¥billion)

		FY2020 Actual			FY2021 Actual			YOY Change		
		1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Chemicals	Sales	14.7	8.3	23.0	17.1	10.5	27.6	+2.4 (+16%)	+2.2 (+26%)	+4.6 (+20%)
	OP	-0.1	0.7	0.6	1.2	1.3	2.5	+1.3 (-)	+0.6 (+81%)	+1.9 (+329%)
Performance Materials	Sales	34.6	19.2	53.8	39.6	20.9	60.5	+5.0 (+14%)	+1.7 (+9%)	+6.7 (+12%)
	OP	10.7	6.3	17.0	13.2	7.6	20.8	+2.5 (+23%)	+1.3 (+21%)	+3.8 (+22%)
Agrochemicals	Sales	25.7	6.3	32.0	25.0	11.9	36.9	-0.7 (-3%)	+5.6 (+92%)	+4.9 (+15%)
	OP	7.8	-1.3	6.5	7.0	3.1	10.1	-0.8 (-10%)	+4.4 (-)	+3.6 (+55%)
Pharmaceuticals	Sales	3.0	1.4	4.4	3.3	2.0	5.3	+0.3 (+10%)	+0.6 (+38%)	+0.9 (+19%)
	OP	0.0	0.0	0.0	0.5	0.4	0.9	+0.5 (-)	+0.4 (-)	+0.9 (-)
Trading	Sales	33.7	17.8	51.5	36.4	22.2	58.6	+2.7	+4.4	+7.1
	OP	1.2	0.7	1.9	1.3	0.8	2.1	+0.1	+0.1	+0.2
Others	Sales	9.4	6.8	16.2	10.4	6.1	16.5	+1.0	-0.7	+0.3
	OP	0.0	0.4	0.4	0.0	0.2	0.2	0.0	-0.2	-0.2
Adjustment	Sales	-26.6	-16.1	-42.7	-40.0	-24.1	-64.1	-13.4	-8.0	-21.4
	OP	-1.6	-1.2	-2.8	-1.9	-0.8	-2.7	-0.3	+0.4	+0.1
Total	Sales	94.5	43.7	138.2	91.8	49.5	141.3	-2.7 (-3%)	+5.8 (+13%)	+3.1 (+2%)
	OP	18.0	5.6	23.6	21.3	12.6	33.9	+3.3 (+19%)	+7.0 (+124%)	+10.3 (+44%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo

# 3Q FY2021 Financial Results Compared to Outlook by Segment

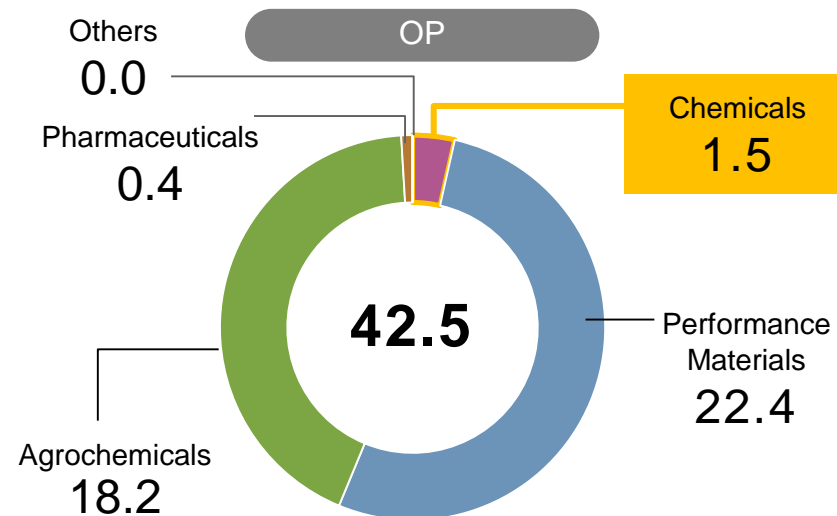
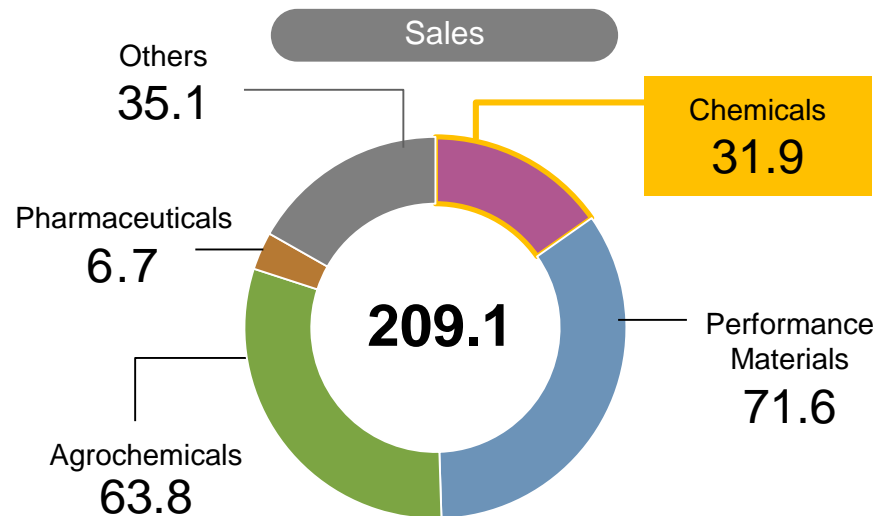
(¥billion)

		FY2021 Outlook		FY2021 Actual		vs. Outlook
		3Q	1-3Q	3Q	1-3Q	3Q
<b>Chemicals</b>	Sales	9.6	26.7	10.5	27.6	+0.9
	OP	1.0	2.2	1.3	2.5	+0.3
<b>Performance Materials</b>	Sales	20.5	60.1	20.9	60.5	+0.4
	OP	6.6	19.8	7.6	20.8	+1.0
<b>Agrochemicals</b>	Sales	11.2	36.2	11.9	36.9	+0.7
	OP	2.0	9.0	3.1	10.1	+1.1
<b>Pharmaceuticals</b>	Sales	1.9	5.2	2.0	5.3	+0.1
	OP	0.3	0.8	0.4	0.9	+0.1
<b>Trading</b>	Sales	20.0	56.4	22.2	58.6	+2.2
	OP	0.6	1.9	0.8	2.1	+0.2
<b>Others</b>	Sales	5.3	15.7	6.1	16.5	+0.8
	OP	0.1	0.1	0.2	0.2	+0.1
<b>Adjustment</b>	Sales	-21.8	-61.8	-24.1	-64.1	-2.3
	OP	-1.2	-3.1	-0.8	-2.7	+0.4
<b>Total</b>	Sales	46.7	138.5	49.5	141.3	+2.8
	OP	9.4	30.7	12.6	33.9	+3.2

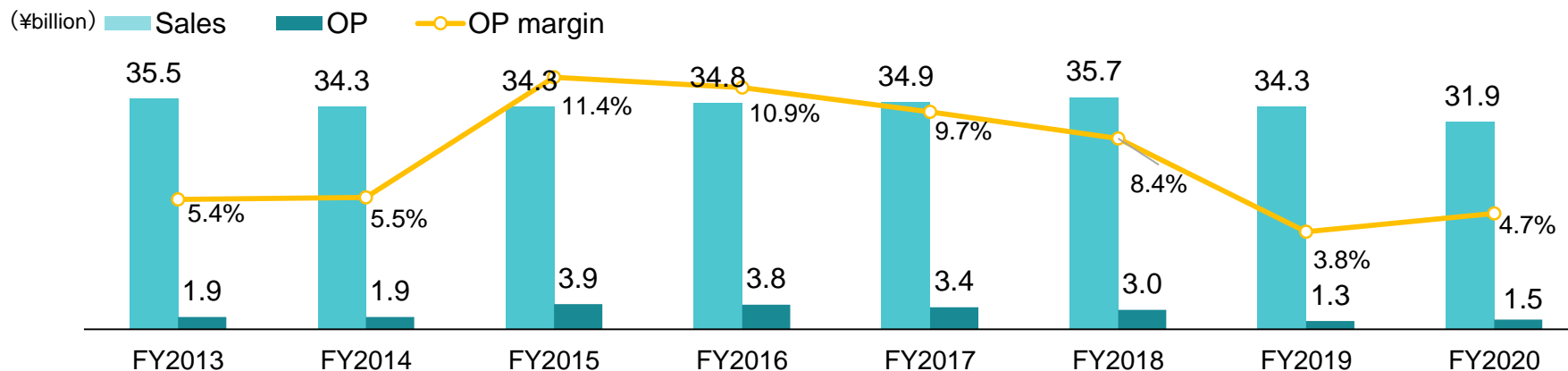
1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo

FY2020 Actual by Segment (¥billion)



Chemicals – Recent Financial Performance



- Fine Chemicals: 【1-3Q】Sales YOY +19%, Sales above target
- Basic Chemicals: 【1-3Q】Sales YOY +20%, Sales above target

Main Products		YOY Change		vs. Outlook as of Nov 2021 (undisclosed)
		3Q	1-3Q	
<b>TEPIC</b>	【Features】 Epoxy compounds with excellent heat resistance, weather resistance and transparency. World largest manufacturer. 【Usage】 General applications: powder coating agent for paint Electronic materials: solder resist, LED materials	<b>+20%</b>	<b>+23%</b>	Above
<b>Environmental related products</b>	【Features】 Made from chlorinated isocyanuric acid 【Usage】 Sterilizer, disinfectant for pool and water purification tank	<b>+30%</b>	<b>+16%</b>	Above
<b>Total Fine Chemicals</b>		<b>+27%</b>	<b>+19%</b>	Above

Two products account for 74% of total consolidated subsegment sales (1-3Q FY2021)

Main Products		YOY Change		vs. Outlook as of Nov 2021 (undisclosed)
		3Q	1-3Q	
<b>Melamine</b>	【Features】 Resin material with high-grade texture and robust properties 【Usage】 Adhesive agent for plywood, decorative plate	<b>+99%</b>	<b>+65%</b>	Above
<b>Urea/AdBlue</b>	【Features】 Nitrogen oxides (NOX) are decomposed into harmless nitrogen and water when injected into the exhaust gas. Contribute to reduce impact to environment 【Usage】 High-grade urea solution for purification of diesel vehicle emissions, adhesive agent	<b>+23%</b>	<b>+18%</b>	Above
<b>High purity sulfuric acid</b>	【Features】 Domestic largest manufacturer 【Usage】 Semiconductor cleaners	<b>+8%</b>	<b>+9%</b>	Above
<b>Nitric acid products</b>	【Features】 Strongly acidic chemical obtained by oxidizing ammonia and used in a wide range of fields 【Usage】 Metal dissolution, surface treatment, antifoam agent	<b>+12%</b>	<b>+17%</b>	Above
<b>Total Basic Chemicals</b>		<b>+25%</b>	<b>+20%</b>	Above

Four products account for 56% of total consolidated subsegment sales (1-3Q FY2021)

**[3Q]** Sales up ¥2.2 billion, OP up ¥0.6 billion

**[1-3Q]** Sales up ¥4.6 billion, OP up ¥1.9 billion

(¥billion)

	FY2020 Actual			FY2021 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	14.7	8.3	23.0	17.1	10.5	27.6	+2.4	+2.2	+4.6
Fine Chemicals	5.4	2.8	8.2	6.2	3.7	9.9	+0.8	+0.9	+1.7
Basic Chemicals	9.3	5.5	14.8	10.9	6.8	17.7	+1.6	+1.3	+2.9
OP	-0.1	0.7	0.6	1.2	1.3	2.5	+1.3	+0.6	+1.9

### Fine Chemicals

**[3Q] Sales up, OP up [1-3Q] Sales up, OP up**

TEPIC for general applications

**[3Q]&[1-3Q] Sales up (price up)**

TEPIC for electronic materials

**[3Q] Sales down (semiconductor shortage)  
[1-3Q] Sales up**

Environmental related products

**[3Q]&[1-3Q] Sales up (isocyanuric acid capacity expansion completed)**

**[3Q] Feedstock and raw materials cost up, shipping cost up  
[1-3Q] Feedstock and raw materials cost up, shipping cost up, fixed cost up**

### Basic Chemicals

**[3Q] Sales up, OP up [1-3Q] Sales up, OP up**

Melamine

**[3Q]&[1-3Q] Sales up**

Urea/AdBlue

**[3Q]&[1-3Q] Sales up**

High purity sulfuric acid

**[3Q]&[1-3Q] Sales up**

Nitric acid products

**[3Q]&[1-3Q] Sales up**

**[3Q] Feedstock and raw materials cost up  
[1-3Q] Feedstock and raw materials cost up, shipping cost up**



**【3Q】** Sales above target ¥0.9 billion, OP above target ¥0.3 billion

(¥billion)

	FY2021 Outlook as of Nov 2021		FY2021 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	9.6	26.7	10.5	27.6	+0.9
Fine Chemicals	3.4	9.6	3.7	9.9	+0.3
Basic Chemicals	6.2	17.1	6.8	17.7	+0.6
OP	1.0	2.2	1.3	2.5	+0.3

## 【3Q】 Sales above target, OP below target

TEPIC for  
general applications

Sales above target

TEPIC for  
electronic materials

Sales below target  
(semiconductor shortage)

Environmental  
related products

Sales above target

Feedstock and raw materials cost above expectations

Fine  
Chemicals

## 【3Q】 Sales above target, OP above target

Melamine

Sales above target

Urea/AdBlue

Sales above target

High purity  
sulfuric acid

Sales above target

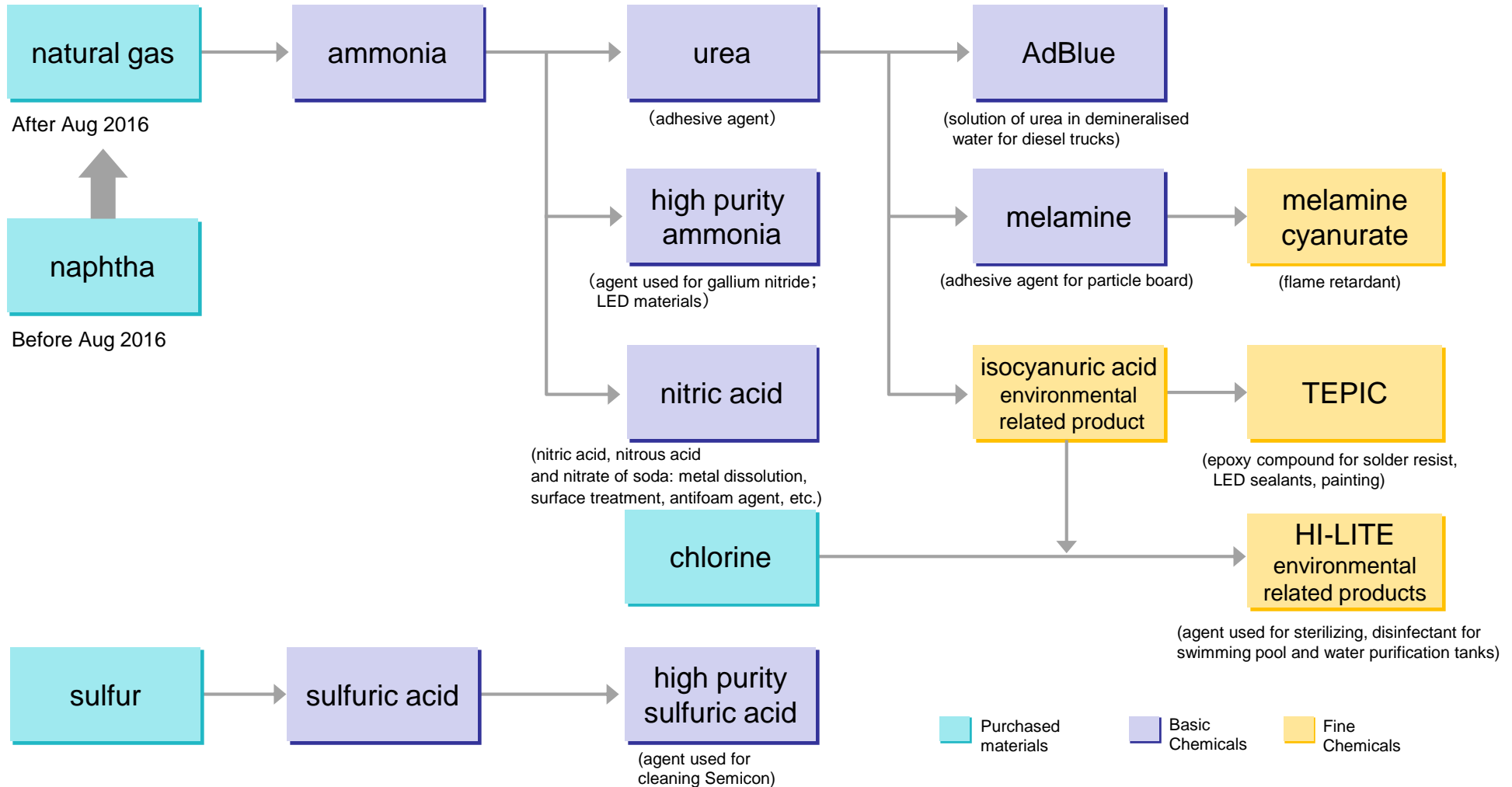
Nitric acid  
products

Sales above target

Basic  
Chemicals

# Flow Chart of Selected Basic and Fine Chemicals Products

Core products are ammonia related products and sulfuric acid related products.  
 FY2020 ammonia domestic production capacity share 11%. Focus on high value-added products, such as high purity sulfuric acid and TEPIC, instead of pursuing scale.



# Restructure based on Shutdown of Melamine Plant

No change from 1Q FY2021 Presentation Materials announced in Aug 2021. From both financial and non-financial benefits, shutdown of melamine plant was decided. Continue to concentrate its management resources on high value-added products and products with a high market share.

## 1. Sales・OP distribution (Total FY2018-2020)

(¥billion)

	Sales	OP	Main products
Ammonia-related products	<b>67.4(66%)</b>	<b>0.7(12%)</b>	ammonia, urea/AdBlue, high purity ammonia, melamine, nitric acid, isocyanuric acid, Hi-LITE, TEPIC, melamine cyanurate
Sulfuric acid-related products	<b>34.5(34%)</b>	<b>5.1(88%)</b>	sulfuric acid, purified sulfuric acid, high purity sulfuric acid
Others			FINEOXOCOL etc.
<b>Total Chemicals</b>	<b>101.9(100%)</b>	<b>5.8(100%)</b>	

\*Among ammonia-related products, melamine has the highest sales but is in the red

\*Total profit of ammonia-related products other than melamine is in the black

## 2. Current status and prospects of melamine

Unlikely to secure stable profits in mid-long term, and to expect profit expansion by new investments

- World production capacity is twice of demand (our estimate)
- Domestic production capacity (2 companies including NCC) is 3 times of demand (our estimate)
- Prices are on recovery trend, but always unstable due to cheaper Chinese products (Chinese production capacity accounts for about 70% of the world)

## 3. Actions to be taken

- (1) Melamine: (A) stop production permanently in June 2022, (B) end sales when inventory eliminated
- (2) Expand sales of Chemicals segment by concentrating on high value and high share products
- (3) Reassign melamine plant operators in Toyama plant
- (4) Continue to sell melamine derivatives by purchasing melamine as raw materials

## 4. Estimated PL effects of actions

- (1) The effects of related costs were minor as such costs were compensated by gain on sales of investment securities (recorded in 2Q FY2021, see p8)

## 5. ESG

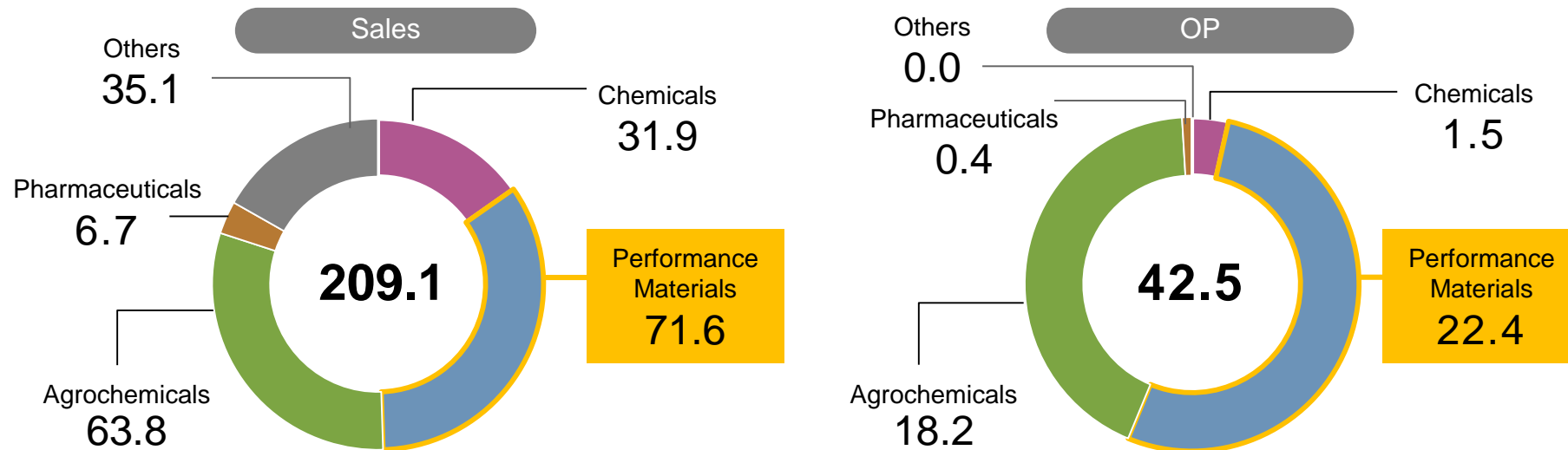
By shutdown of melamine, 26,000 GHG (t-CO<sub>2</sub>) or equivalent to about 7% of FY2018 GHG (see p48) estimated to be reduced

## (2) PL image of Chemicals segment in FY2023

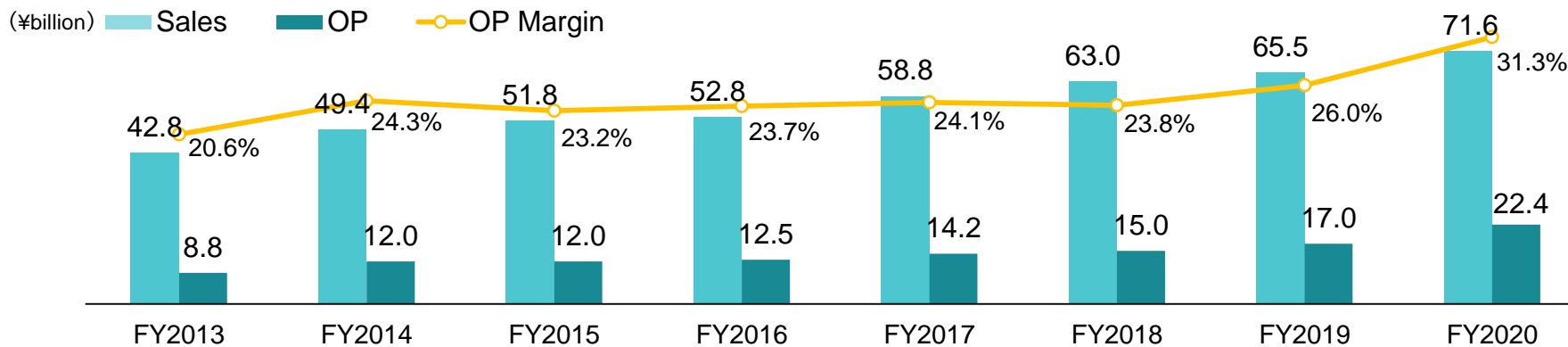
(¥billion)

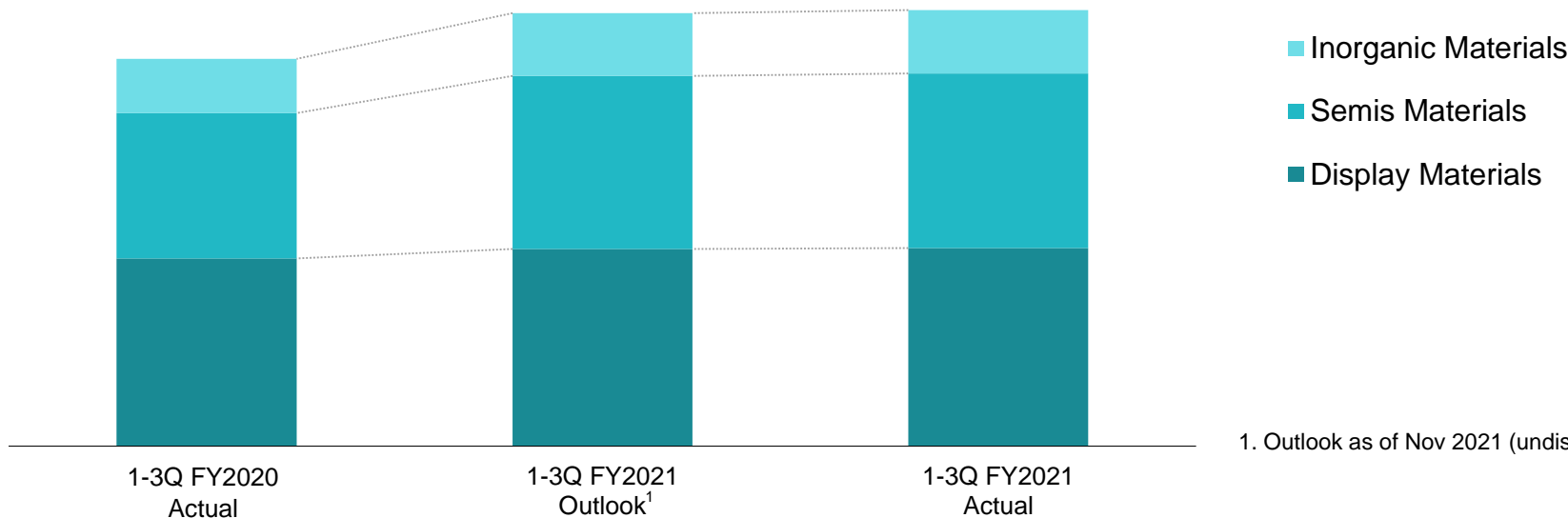
	FY2021 Outlook as of May 2021	Difference between FY2023 and FY2021 Outlook Effects of Melamine stop and countermeasures	FY2023 PL Image
Sales	<b>34.6</b>	<b>+1.6</b>	<b>36.2</b>
OP	<b>2.4</b>	<b>+1.0</b>	<b>3.4</b>

## FY2020 Actual by Segment (¥billion)



## Performance Materials – Recent Financial Performance





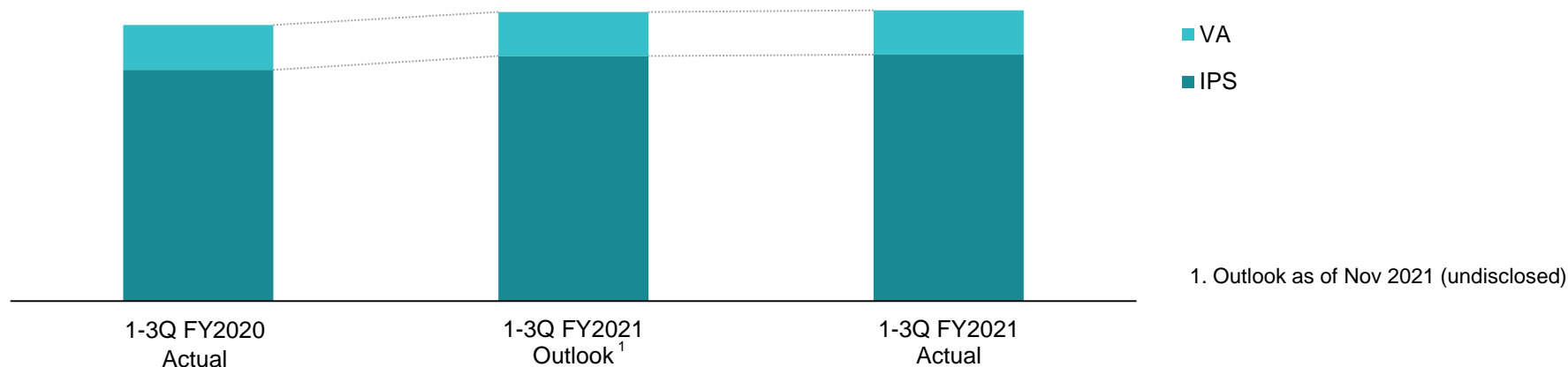
1. Outlook as of Nov 2021 (undisclosed)

## Main Products

Display Materials		Semis Materials		Inorganic Materials	
SUNEVER	LCD alignment coating	ARC <sup>®</sup>	Bottom anti-reflective coating for semis	SNOWTEX	Silica sol for polishing materials (silicon wafer, compound semiconductors, semiconductors CMP and etc.) and non-polishing materials (special steel sheet and etc.)
		Multi layer process materials	Multi layer process materials for Semis (OptiStack <sup>®</sup> )	Organo/Monomer Sol	Film surface treatment for electronic devices, resin additive
		Other new materials	EUV materials, 3D packaging process materials, CMOS image sensor materials	Oilfield materials	For enhancing oil recovery

Sales increased in IPS mode.

In particular, sales of photo IPS (photo alignment materials for IPS LCDs) increased in IPS mode.



### Main Applications

- VA (Vertical Alignment) TV
- IPS (In-Plane Switching) Smartphone, Tablet, PC, Monitor

### Sales Growth Rate by Mode

	YOY Change		vs. Outlook as of Nov 2021 (undisclosed)
	3Q	1-3Q	
VA	+0 ~ +9%	-9 ~ -0%	Above
IPS	+0 ~ +9%	+0 ~ +9%	Above
Total SUNEVER (including TN <sup>2</sup> )	+2%	+5%	Above

2. TN (Twisted Nematic) main applications is PC, Monitor

- DP Materials: 【1-3Q】Sales YOY +6%, Sales above target
- Semis Materials: 【1-3Q】Sales YOY +20%, Sales above target
- Inorganic Materials: 【1-3Q】Sales YOY +17%, Sales above target

Main Products		YOY Change		vs. Outlook as of Nov 2021 (undisclosed)	Main Products		YOY Change		vs. Outlook as of Nov 2021 (undisclosed)
		3Q	1-3Q				3Q	1-3Q	
Total SUNEVER		+2%	+5%	Above	SNOWTEX		+10%	+16%	Below
Total Display Materials		+2%	+6%	Above	Organo/Monomer Sol		+7%	+19%	Above
	KrF (ARC®)	+25%	+23%	Above	Oilfield Materials		-71%	-16%	Below
	ArF (ARC®)	+20%	+21%	Above	Total Inorganic Materials		+6%	+17%	Above
Total ARC®		+22%	+22%	Above					
Other Semis Materials <sup>1</sup>		+14%	+16%	Above					
Total Semis Materials		+20%	+20%	Above					

1. Multi layer process materials (OptiStack®), EUV materials, CMOS image sensor materials, 3D packing process materials

# 3Q FY2021 Financial Results

## YOY Change

**【3Q】**Sales up ¥1.7 billion, OP up ¥1.3 billion,

Fixed cost down ¥0.1 billion in total (including common expenses up ¥0.1 billion)

**【1-3Q】** Sales up ¥6.7 billion, OP up ¥3.8 billion,

Fixed cost up ¥0.7 billion in total (including common expenses up ¥0.1 billion)

(¥billion)

	FY2020 Actual			FY2021 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	34.6	19.2	53.8	39.6	20.9	60.5	+5.0	+1.7	+6.7
OP	10.7	6.3	17.0	13.2	7.6	20.8	+2.5	+1.3	+3.8

### Display Materials

**【3Q】 Sales up, OP up 【1-3Q】 Sales up, OP up**

Photo IPS 【3Q】& 【1-3Q】 Sales up  
(non-smartphone up)

Rubbing IPS 【3Q】& 【1-3Q】 Sales down

VA 【3Q】 Sales up 【1-3Q】 Sales down

**【3Q】** Fixed cost down ¥0.2 billion

**【1-3Q】** Fixed cost down ¥0.1 billion

### Semis Materials

**【3Q】 Sales up, OP up 【1-3Q】 Sales up, OP up**

ARC® 【3Q】&【1-3Q】 Sales up

Other semis materials 【3Q】&【1-3Q】 Sales up  
(multi layer materials and other new materials<sup>1</sup> up)

**【3Q】** Semis market overall good performance

**【1-3Q】** Semis market overall good performance,  
fixed cost up ¥0.4 billion

1. other new materials: EUV materials, CMOS image sensor materials, 3D packaging process materials total

### Inorganic Materials

**【3Q】 Sales up, OP up 【1-3Q】 Sales up, OP up**

SNOWTEX 【3Q】&【1-3Q】 Sales up  
(non-polishing and polishing up)

Organo/Monomer Sol 【3Q】&【1-3Q】 Sales up

Oilfield materials 【3Q】&【1-3Q】 Sales down

**【1-3Q】** Fixed cost up ¥0.3 billion



# 3Q FY2021 Financial Results Compare to Outlook

【3Q】Sales above target ¥0.4 billion, OP above target ¥1.0 billion, Fixed cost below expectations ¥0.4 billion in total

(¥billion)

	FY2021 Outlook as of Nov 2021		FY2021 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	20.5	60.1	20.9	60.5	+0.4
OP	6.6	19.8	7.6	20.8	+1.0

## 【3Q】 Sales above target, OP above target

### Display Materials

Photo IPS Sales above target (non-smartphone up)

Rubbing IPS Sales below target

VA Sales above target

Fixed cost below expectations ¥0.1 billion

## 【3Q】 Sales above target, OP above target

### Semis Materials

ARC® Sales above target

Other semis materials Sales above target (multi layer materials and other new materials<sup>1</sup> above target)

Semis market overall good performance,  
Fixed cost below expectations ¥0.2 billion

1. other new materials: EUV materials, CMOS image sensor materials, 3D packaging process materials total

## 【3Q】 Sales above target, OP above target

### Inorganic Materials

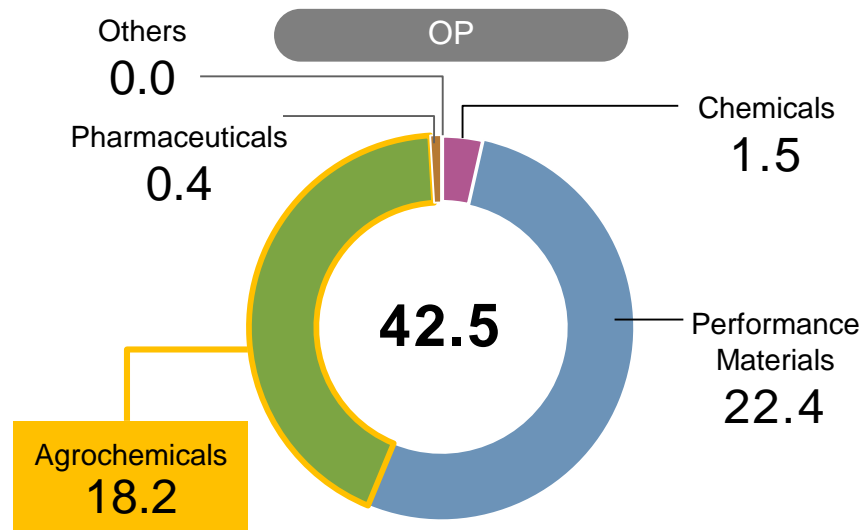
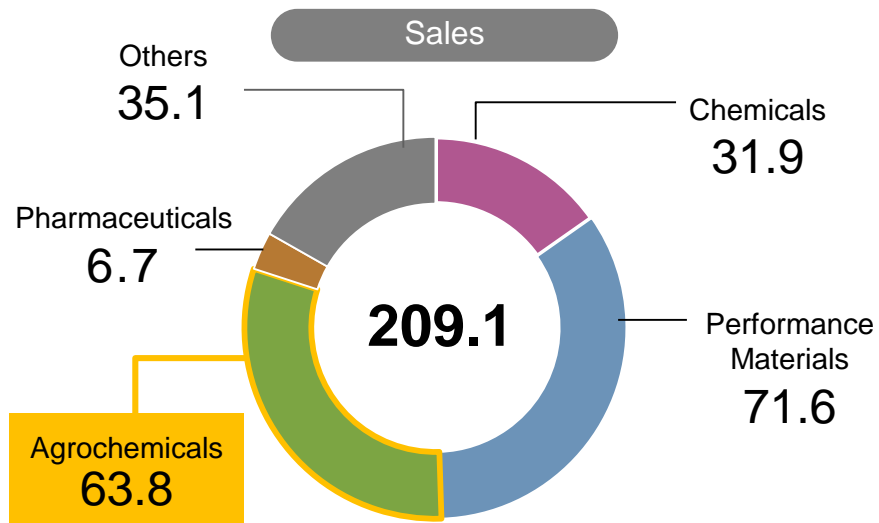
SNOWTEX Sales below target (non-polishing down, polishing up)

Organo/Monomer Sol Sales above target

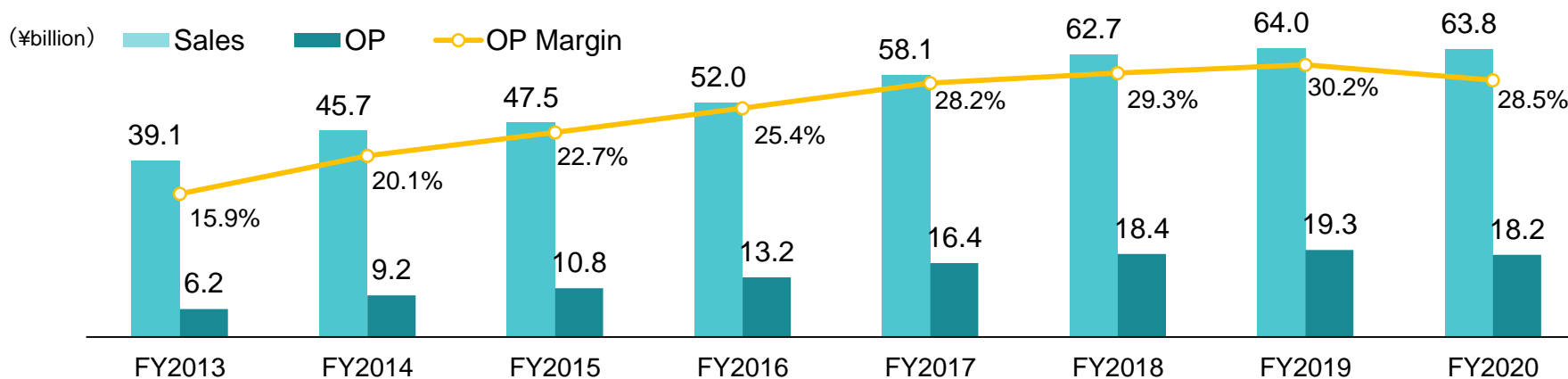
Oilfield materials Sales below target

Fixed cost below expectations ¥0.1 billion

FY2020 Actual by Segment (¥billion)



Agrochemicals – Recent Financial Performance



【1-3Q】 Sales YOY +11%, Sales above target

Main Products (in order of FY2020 Sales amount)	Types	YOY Change (1-3Q)	vs. Outlook as of Nov 2021 (undisclosed)
ROUNDUP <sup>1</sup>	Herbicide	<b>+9%</b>	Above
Fluralaner	Animal Health products	<b>+15%</b>	Above
ALTAIR	Herbicide	<b>-17%</b>	Above
TARGA	Herbicide	<b>+23%</b>	Below
GRACIA	Insecticide	<b>-32%</b>	Above
PERMIT	Herbicide	<b>+3%</b>	Above
LEIMAY	Fungicide	<b>+4%</b>	Below
QUINTEC	Fungicide	<b>Over +300%</b>	Above
DITHANE	Fungicide	-	Below
<b>Total segment</b>	-	<b>+11%</b>	Above

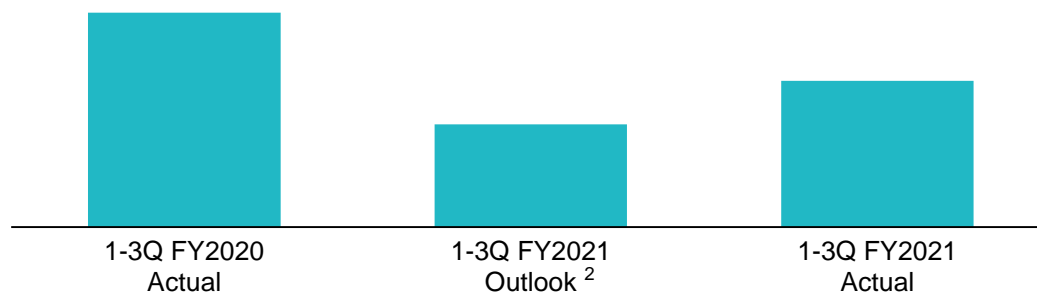
### Reference

- No.1 in the domestic agrochemicals sales ranking (Oct 2018- Sep 2019)

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

1. ROUNDUP AL for general household accounting for 30% of 1-3Q FY2021 ROUNDUP sales

## GRACIA Sales



### Reference

2Q FY2021 Presentation Materials  
(announced on Nov 11, 2021)  
p30 GRACIA Sales Growth forecast

2. Outlook as of Nov 2021 (undisclosed)

【3Q】Sales up ¥5.6 billion, OP up ¥4.4 billion, Fixed cost up ¥0.3 billion

(sales up ¥4.0 billion, OP up ¥4.0 billion due to changes in accounting policies)

【1-3Q】Sales up ¥4.9 billion, OP up ¥3.6 billion, Fixed cost up ¥0.9 billion (including DITHANE amortization ¥0.2 billion)

(sales up ¥3.1 billion, OP up ¥3.1 billion due to changes in accounting policies) (¥billion)

	FY2020 Actual			FY2021 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	25.7	6.3	32.0	25.0	11.9	36.9	-0.7	+5.6	+4.9
OP	7.8	-1.3	6.5	7.0	3.1	10.1	-0.8	+4.4	+3.6

Main products	ROUNDUP(Herbicide)	【3Q】 Sales up (ML: rush demand following the announcement of price hikes in December) 【1-3Q】 Sales up (ML: rush demand following the announcement of price hikes in December, AL: strong sales)
	Fluralaner(Animal health product)	【3Q】 Sales up (royalties recorded due to changes in accounting policies) 【1-3Q】 Sales up (royalties recorded due to changes in accounting policies, although API down)
	ALTAIR(Herbicide)	【3Q】 Sales up 【1-3Q】 Sales down
	TARGA(Herbicide)	【3Q】&【1-3Q】 Sales up (launch of mixture product for India)
	GRACIA(Insecticide)	【3Q】 Sales up(domestic: sales up due to decrease in distribution inventory and increase pest control needs, export: sales up due to launch in new countries) 【1-3Q】 Sales down(domestic: down, export: down)
	PERMIT(Herbicide)	【3Q】 Sales down 【1-3Q】 Sales up
	LEIMAY(Fungicide)	【3Q】 Sales down 【1-3Q】 Sales up
	QUINTEC(Fungicide)	【3Q】 Sales up (shipment shifted from 4Q FY2021) 【1-3Q】 Sales up (shipment shifted from 4Q FY2020 to 1Q FY2021 and shipment shifted from 4Q FY2021)
	DITHANE(Fungicide)	【3Q】&【1-3Q】 Sales up (sales start from 4Q FY2020)

1. FY2021 Actual : including effects of changes in accounting policies

(Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease) (see p51)

**[3Q]** Sales above target ¥0.7 billion, OP above target ¥1.1 billion,  
Fixed cost below expectations ¥0.1 billion, Inventory adjustment cost below expectations ¥0.2 billion

(¥billion)

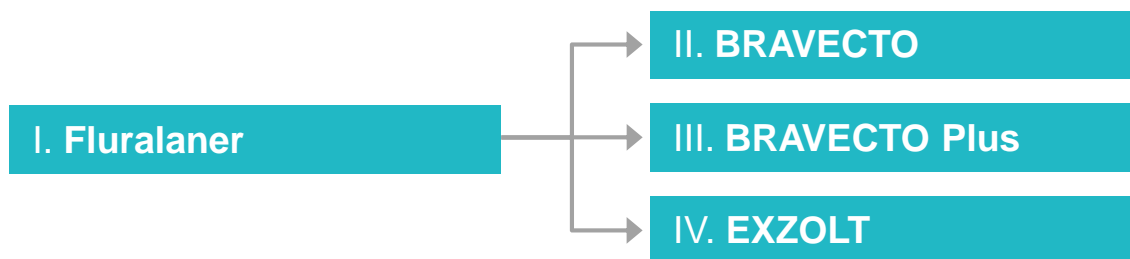
	FY2021 Outlook as of Nov 2021		FY2021 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	11.2	36.2	11.9	36.9	+0.7
OP	2.0	9.0	3.1	10.1	+1.1

Main products	ROUNDUP(Herbicide)	Sales above target (ML: rush demand following the announcement of price hikes in December)
	Fluralaner(Animal health product)	Sales above target (API: in line with target, royalties above target)
	ALTAIR(Herbicide)	Sales above target
	TARGA(Herbicide)	Sales below target (shipment shifted to 4Q FY2021)
	GRACIA(Insecticide)	Sales above target (domestic: above due to decrease in distribution inventory and increase pest control needs, export: due to launch in new countries)
	PERMIT(Herbicide)	Sales above target
	LEIMAY(Fungicide)	Sales below target (production and shipping delays)
	QUINTEC(Fungicide)	Sales above target (shipment shifted from 4Q FY2021)
	DITHANE(Fungicide)	Sales below target

1. FY2021 Actual & Outlook : including effects of changes in accounting policies

(Fluralaner royalties increase/decrease due to changes in recognized timing and sales discount cost increase/decrease) (see p51)

BRAVECTO series and Exzolt, which contains the active pharmaceutical ingredient of fluralaner invented by NCC, are currently available in more than 100 countries.



### I. Fluralaner

- Invented by NCC and supplied to MSD<sup>1</sup> 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 a patent term extension system
    - Some EU countries including UK, France, Germany – already extended to February 2029
    - USA, etc. – applications under examination

### II. BRAVECTO

- Developed and launched by MSD
- Veterinary medical products providing 12 weeks 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
  - April 2014 EU, June 2014 USA, July 2015 Japan, July 2019 China
  - July 2020 monthly chews for puppies in USA
- Spot-on solution for dogs and cats
  - for cats: July 2016 EU, December 2016 USA, June 2018 Japan
  - for dogs: January 2017 USA and EU, January 2021 Japan

### III. BRAVECTO Plus

- A broad-spectrum combination spot-on solution for cats to treat internal and external parasite infestations
  - July 2018 EU, December 2019 USA, January 2021 Japan

### IV. EXZOLT

- A poultry medicine against red mite launched by MSD (administered via drinking water)
  - September 2017 EU, June 2018 Korea and Middle East etc., July 2021 Japan

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

## NCC's Revenues are Consisted from Following Two Factors

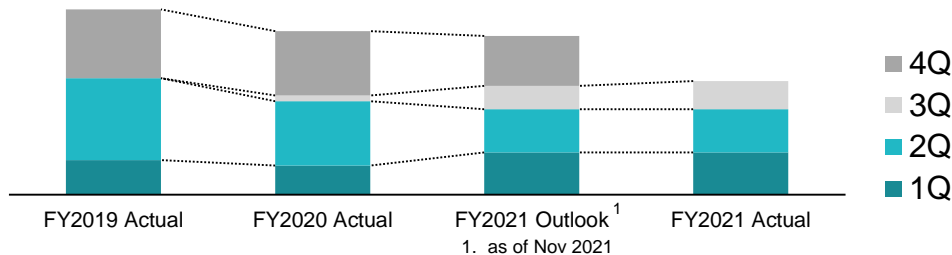
- Sales of Fluralaner to MSD as API<sup>1</sup> of BRAVECTO and EXOLT products
- Running royalties received from MSD

1. API: Active Pharmaceutical Ingredient

## FY2019-FY2021 Fluralaner Quarterly Sales (including royalties)

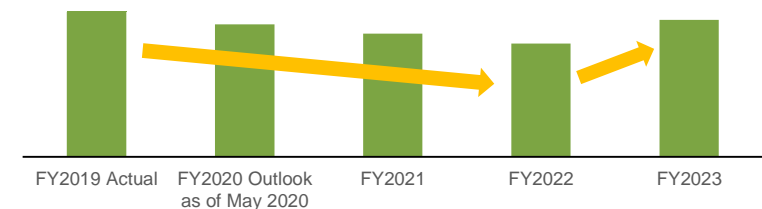
(including royalties)

Royalties revenue used to be recognized in 2Q and 4Q until FY2020. Due to changes in accounting policies, it has been recognized in each quarter since FY2021.



## FY2019-FY2023 Fluralaner Pro-forma Sales (including royalties) Image (Announced in May 2020)

BRAVECTO sales expected to grow steadily. But NCC's Fluralaner sales expected to decrease until FY2022 due to continuing inventory adjustment and recover in FY2023.



### Revenue recognition policy changed (see p51)

- (until FY2020)  
Royalties revenue on MSD's sales for  
Jan-Jun: recognized in Aug, Jul-Dec: recognized in Feb
- (from FY2021)  
Royalties revenue on MSD's sales for  
Jan-Mar: recognized in May, Apr-Jun: recognized in Aug,  
Jul-Sep: recognized in Nov, Oct-Dec: recognized in Feb

Although inventory adjustment has been proceeding, no change in the above scenario at this moment.

## BRAVECTO and EXZOLT R&D

Several pipeline products being developed by MSD (including new type of BRAVECTO for pets and spot-on solution for livestock)

No change from FY2020 Presentation Materials announced in May 2021.

Expand product portfolio through acquisition and introduction of new pesticides

### QUINTEC (QUINOXYFEN)

- QUINTEC is NCC's main product of fungicides containing QUINOXYFEN (active ingredient)
- Acquired the QUINOXYFEN product line of fungicides including QUINTEC brand from Corteva in November 2019
- Started to sell in December 2019
- Distributed as a fungicide for fruit trees and vegetables. Mainly sold in USA
- Protective fungicide highly effective in controlling powdery mildew in fruits (especially grapes) and vegetables

### DITHANE (MANCOZEB)

- DITHANE is NCC's main product of fungicides containing MANCOZEB (active ingredient)
- Acquired the MANCOZEB product line of fungicides in Japan and Korea including DITHANE brand from Corteva in December 2020
- Started to sell in January 2021 in Japan
- Protective fungicide with significant efficacy against various plant diseases in fruits (especially apples and citrus) and vegetables. Excellent rain fastness
- Average amortized period fixed at 5 or 16 years(straight-line method)(weighted average 15.6 years) after the accounting audit. (tentatively calculated under the condition of 5-year amortization period before audit)

#### DITHANE Acquisition's Estimated PL Impact (¥billion)

	OP	OP + Amortization
FY2020	0.3	0.4
FY2021	0.7	1.1
Total FY2022-26	3.6	5.3



No change from FY2019 Presentation Materials announced in May 2020.

Establish an API production site to ensure a stable global supply and reduce manufacturing costs

## Nissan Bharat Rasayan Private Limited (NBR)

Head Office	Gurgaon, Haryana (near New Delhi)
Plant Location	Newly built in Saykha, Gujarat (land leased by Gujarat Industrial Development Corporation)
Opening of Business	April 1, 2020
Business	Manufacturing active ingredients of agrochemicals (GRACIA, LEIMAY, QUINTEC, etc.) and exporting them to NCC
Number of Operators	150-200(assumptions as of 2022)
Plant Operating	2Q FY2022
Shareholders	NCC 70%, Bharat Rasayan Ltd (BRL) 30%
Board of Directors	NCC 5, BRL 2, Independent 1, Total 8

## Bharat Rasayan Ltd (BRL)

Foundation	1989 (one of major Indian agrochemical companies)
Listing	National Stock Exchange of India(NSE), Bombay Stock Exchange (BSE)
Major Shareholders	Founders families including Sat Narain Gupta, Chairman 74.8%
2020 PL	Sales INR 10,920 million, Net Income after Taxes INR 1,639 million
Plant Location	2 plants: (A) Dahej, Gujarat (B) Rohtak, Haryana
Relationship with NCC	BRL manufactures active ingredients and intermediates of NCC's products. Bharat Insecticides Ltd (BIL), a related company of Bharat group, distributes certain NCC's products(TARGA, PULSOR, PERMIT) in India

## Funding Plan

(¥billion)			
Plant	4.3	Capital (INR 1.5 billion)	2.3
Working capital and others	2.4	Borrowings provided by NCC	3.3
		Borrowings provided by local banks	1.1
Total required funds	6.7	Total funding plan	6.7

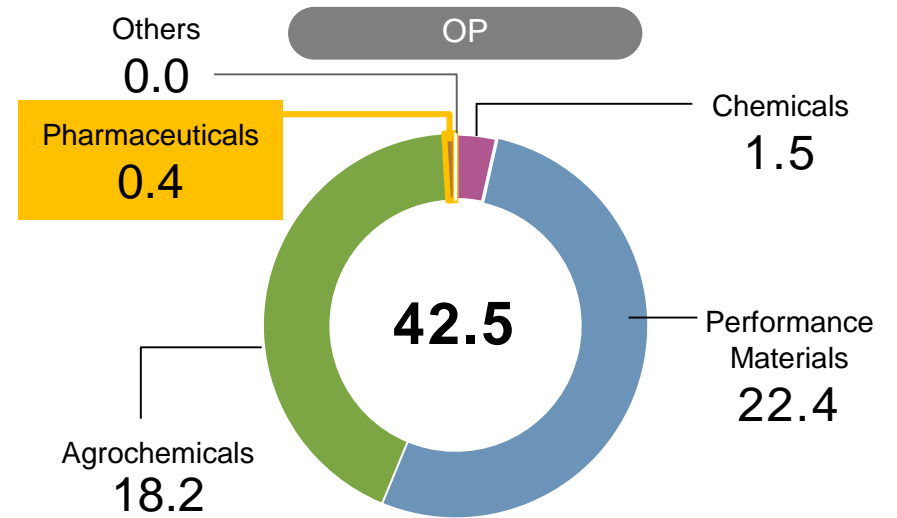
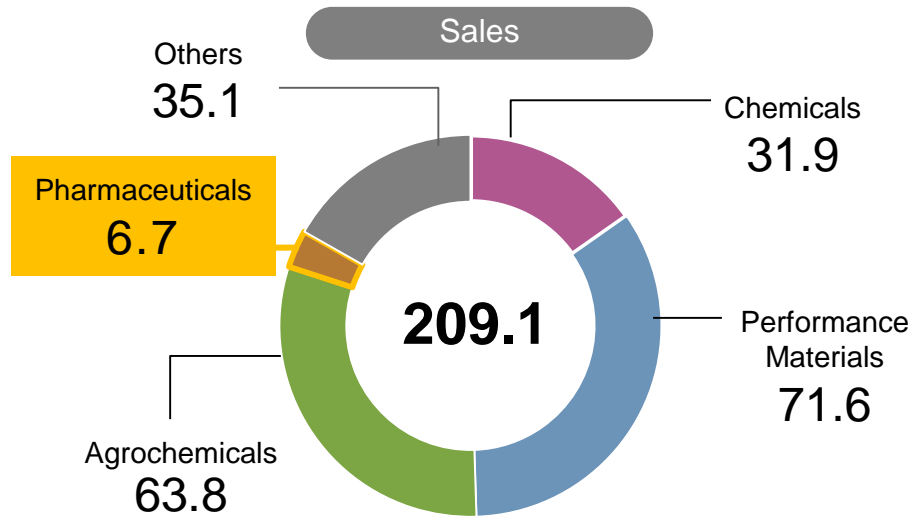
## Expected Net Contribution to NCC's Consolidated PL

(¥billion)					
FY	2021	2022	2023	2024	2025
OP	-0.3	0.5	1.2	2.0	3.2

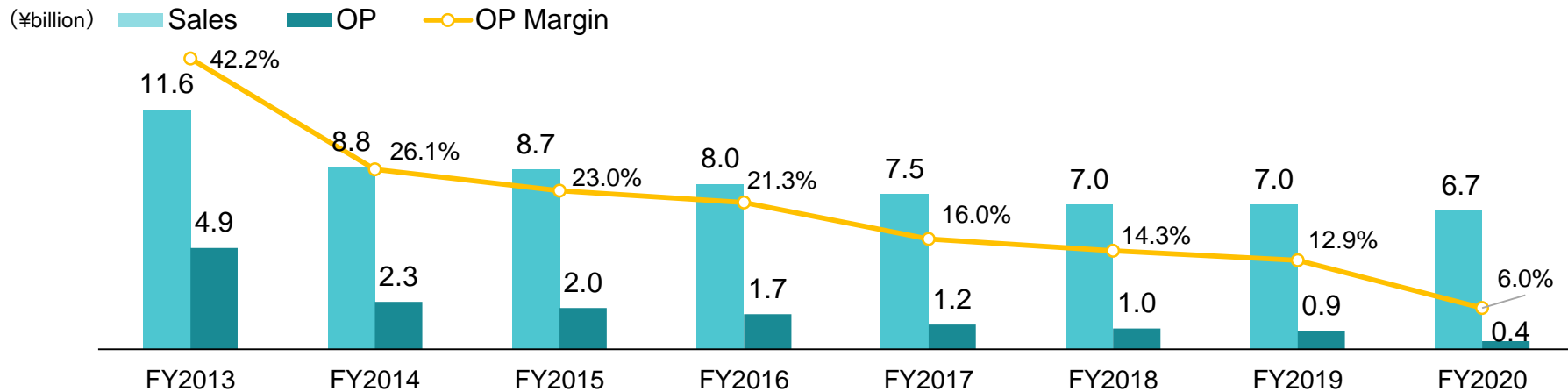
### Advantages to NCC

- Reliable and experienced local partner
- Diversify and secure sources of active ingredients and decrease materials shortage risks
- Lower production costs compared to plants in Japan
- Readily available plant site (official approval process for land lease already completed)
- Much less management and financial risks compared to M&A of an existing local company

FY2020 Actual by Segment (¥billion)



Pharmaceuticals – Recent Financial Performance



**[3Q]** Sales up ¥0.52 billion, OP up ¥0.48 billion

**[1-3Q]** Sales up ¥0.84 billion, OP up ¥0.90 billion

(¥billion)

	FY2020 Actual			FY2021 Actual			YOY Change		
	1H	3Q	1-3Q	1H	3Q	1-3Q	1H	3Q	1-3Q
Sales	3.02	1.40	4.42	3.34	1.92	5.26	+0.32	+0.52	+0.84
Drug Discovery	1.53	0.58	2.11	1.41	0.48	1.89	-0.12	-0.10	-0.22
Custom Chemicals	1.49	0.82	2.31	1.93	1.44	3.37	+0.44	+0.62	+1.06
OP	0.03	-0.04	-0.01	0.45	0.44	0.89	+0.42	+0.48	+0.90
Drug Discovery	-0.36	-0.36	-0.72	-0.44	-0.34	-0.78	-0.08	+0.02	-0.06
Custom Chemicals	0.39	0.32	0.71	0.89	-0.78	1.67	+0.50	+0.46	+0.96

1. Figures in p12, p13, p40, p41, p56, p57 may not match the numbers on this page due to rounding.

### Drug Discovery

#### **[3Q]** Sales down, OP up

#### **[1-3Q]** Sales down, OP down

LIVALO

**[3Q]** Sales down (domestic and export down)  
**[1-3Q]** Sales down (domestic up, export down)

Inventory adjustment cost down ¥0.1 billion

### Custom Chemicals

#### **[3Q]** Sales up, OP up

#### **[1-3Q]** Sales up, OP up

**[3Q]**&**[1-3Q]** Strong sales of generic APIs,  
Shipment shifted from 4Q FY2021

### Sales Growth Rate of Main Products

	YOY Change		vs. Outlook as of Nov 2021 (undisclosed)
	3Q	1-3Q	
LIVALO	-25%	-12%	Below
Custom Chemicals	+77%	+46%	Above
Total segment	+38%	+19%	Above

**【3Q】Sales above target ¥0.06 billion, OP above target ¥0.13 billion**

(¥billion)

	FY2021 Outlook as of Nov 2021		FY2021 Actual		vs. Outlook
	3Q	1-3Q	3Q	1-3Q	3Q
Sales	<b>1.86</b>	<b>5.20</b>	<b>1.92</b>	<b>5.26</b>	<b>+0.06</b>
Drug Discovery	<b>0.61</b>	<b>2.02</b>	<b>0.48</b>	<b>1.89</b>	<b>-0.13</b>
Custom Chemicals	<b>1.25</b>	<b>3.18</b>	<b>1.44</b>	<b>3.37</b>	<b>+0.19</b>
OP	<b>0.31</b>	<b>0.76</b>	<b>0.44</b>	<b>0.89</b>	<b>+0.13</b>
Drug Discovery	<b>-0.34</b>	<b>-0.78</b>	<b>-0.34</b>	<b>-0.78</b>	<b>0.00</b>
Custom Chemicals	<b>0.65</b>	<b>1.54</b>	<b>0.78</b>	<b>1.67</b>	<b>+0.13</b>

1. Figures in p12, p13, p40, p41, p56, p57 may not match the numbers on this page due to rounding.

Drug  
Discovery

**【3Q】Sales below target, OP in line with target**

LIVALO

Sales below target  
(domestic below target, export above target)

Fixed cost below expectations ¥0.1 billion

Custom  
Chemicals

**【3Q】Sales above target, OP above target**

Generic APIs above target

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**FY2021 Full-Year Outlook P37**

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## Full-Year Outlook is Revised Upward (FY2021 OP:¥50.0 billion)

The Outlook is calculated by adding up the results for 1-3Q and the outlook for 4Q based on the figures announced in Nov 2021

Full-Year

vs. FY2020

- Sales down ¥0.8 billion (-0%)
- OP up ¥7.5 billion (+18%)
- Net Income up ¥3.8 billion (+11%)
- **OP and Ordinary Income expected to renew the highest results of a full year for 8 consecutive years. Net Income expected to renew the highest results of a full year for 9 consecutive years.**
- **ROE Outlook for FY2021 is 18.6%**

Full-Year

vs. Outlook  
as of Nov 2021

- Sales above target ¥2.8 billion
- OP above target ¥2.6 billion
- Net Income above target ¥0.9 billion

## Shareholders Return (Full-Year Outlook)

**Revised 2H dividend Outlook to ¥68/share and announced ¥5.0 billion share repurchase (Total Payout Ratio 77.1%)**

<b>Dividend</b>	¥118/share (Full-Year) 1H ¥50/share, <b>2H ¥68/share</b> (Dividend Payout Ratio : 45.1%) 【vs. FY2020】1H up ¥4/share, 2H up ¥10/share 【vs. Outlook as of Nov 2021】2H up ¥4/share
<b>Share Repurchase</b>	¥12.0 billion (Full-Year) <ul style="list-style-type: none"> <li>● ¥7.0 billion, 1,262 thousand shares completed in July 2021</li> <li>● <b>¥5.0 billion, 1,000 thousand shares announced in February 2022</b></li> </ul> 【vs. FY2020】¥2.0 billion up 【vs. Outlook as of Nov 2021】¥5.0 billion up
<b>Share Cancellation</b>	Cancelled 2.0 million shares in May and August 2021
<b>Total Payout Ratio</b>	77.1% based on ¥118/share dividend and ¥12.0 billion share repurchase (FY2020 Actual: 74.6%)

# Full Year FY2021 Outlook

(¥billion)

	FY2020 Actual					FY2021 Outlook as of Nov 2021					FY2021 Outlook as of Feb 2022				
	1H	3Q	4Q	2H	Total	1H Actual	3Q	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total
Sales	94.5	43.7	70.9	114.6	209.1	91.8	46.7	67.0	113.7	205.5	91.8	49.5	67.0	116.5	208.3
Operating Profit <sup>1</sup>	18.0	5.6	18.9	24.5	42.5	21.3	9.4	16.7	26.1	47.4	21.3	12.6	16.1	28.7	50.0
Non-Operating Income/Expenses	0.2	0.2	1.0	1.2	1.4	1.0	0.4	0.0	0.4	1.4	1.0	0.9	-0.1	0.8	1.8
Ordinary Income <sup>1</sup>	18.2	5.8	19.9	25.7	43.9	22.3	9.8	16.7	26.5	48.8	22.3	13.5	16.0	29.5	51.8
Extraordinary Income/Loss	1.1	0.0	0.5	0.5	1.6	0.0	0.0	1.0	1.0	1.0	0.0	0.2	0.0	0.2	0.2
Income taxes and non- controlling interests <sup>2</sup>	-5.4	-1.3	-5.3	-6.6	-12.0	-6.0	-2.5	-4.9	-7.4	-13.4	-6.0	-4.4	-4.3	-8.7	-14.7
Net Income <sup>1,2,3</sup>	13.9	4.5	15.1	19.6	33.5	16.3	7.3	12.8	20.1	36.4	16.3	9.3	11.7	21.0	37.3
EBITDA <sup>4</sup>	22.8	8.3	21.9	30.2	53.0	26.0	-	-	31.9	57.9	26.0	15.2	19.3	34.5	60.5
EPS (¥/share) <sup>1</sup>	95.96	30.97	104.80	135.77	231.73	113.94	-	-	141.16	255.10	113.94	65.64	82.02	147.66	261.60
Dividend (¥/share)	46	-	-	58	104	50	-	-	64	114	50	-	-	68	118
Dividend payout ratio (%)	-	-	-	-	44.9	-	-	-	-	44.7	-	-	-	-	45.1
Total amount of Dividend	6.6	-	-	8.4	15.0	7.1	-	-	9.1	16.2	7.1	-	-	9.7	16.8
OP Margin <sup>1</sup>	19.0%	12.9%	26.7%	21.4%	20.3%	23.2%	20.1%	24.9%	22.9%	23.1%	23.2%	25.5%	24.0%	24.6%	24.0%
ROE	-	-	-	-	17.5%	-	-	-	-	18.1%	-	-	-	-	18.6%
FX Rate (¥/\$)	107	105	106	105	106	110	107	107	107	108	110	114	107	110	110
Crude Oil (JCC) (\$/bbl) <sup>5</sup>	36	44	56	50	43	70	75	75	75	73	70	80	75	78	74

1. 3Q-4Q FY2020 Actual: figures are revised due to the impact of recalculation of DITHANE amortization (see p5)

2. Income taxes and non-controlling interests announced in Nov 2021 are revised due to incorrect figures in 3Q and 4Q. Net income is revised as well. (see p6)

3. Net income = Profit Attributable to Owners of Parent 4. EBITDA = Operating Profit + Depreciation and amortization 5. Based on Trade Statistics of Japan Ministry of Finance

# FY2021 Financial Outlook YOY Change by Segment

(¥billion)

		FY2020 Actual					FY2021 Outlook as of Feb 2022					YOY Change				
		1H	3Q	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total
Chemicals	Sales	14.7	8.3	8.9	17.2	31.9	17.1	10.5	9.7	20.2	37.3	+2.4 (+16%)	+2.2 (+26%)	+0.8 (+10%)	+3.0 (+17%)	+5.4 (+17%)
	OP	-0.1	0.7	0.9	1.6	1.5	1.2	1.3	0.7	2.0	3.2	+1.3 (-)	+0.6 (+81%)	-0.2 (-22%)	+0.4 (+23%)	+1.7 (+116%)
Performance Materials	Sales	34.6	19.2	17.8	37.0	71.6	39.6	20.9	20.8	41.7	81.3	+5.0 (+14%)	+1.7 (+9%)	+3.0 (+16%)	+4.7 (+13%)	+9.7 (+13%)
	OP	10.7	6.3	5.4	11.7	22.4	13.2	7.6	6.5	14.1	27.3	+2.5 (+23%)	+1.3 (+21%)	+1.1 (+20%)	+2.4 (+21%)	+4.9 (+22%)
Agrochemicals	Sales	25.7	6.3	31.8	38.1	63.8	25.0	11.9	29.6	41.5	66.5	-0.7 (-3%)	+5.6 (+92%)	-2.2 (-7%)	+3.4 (+9%)	+2.7 (+4%)
	OP	7.8	-1.3	11.7	10.4	18.2	7.0	3.1	9.2	12.3	19.3	-0.8 (-10%)	+4.4 (-)	-2.5 (-21%)	+1.9 (+18%)	+1.1 (+6%)
Pharmaceuticals	Sales	3.0	1.4	2.3	3.7	6.7	3.3	2.0	1.1	3.1	6.4	+0.3 (+10%)	+0.6 (+38%)	-1.2 (-47%)	-0.6 (-15%)	-0.3 (-4%)
	OP	0.0	0.0	0.4	0.4	0.4	0.5	0.4	-0.3	0.1	0.6	+0.5 (-)	+0.4 (-)	-0.7 (-)	-0.3 (-70%)	+0.2 (+68%)
Trading	Sales	33.7	17.8	18.3	36.1	69.8	36.4	22.2	18.7	40.9	77.3	+2.7	+4.4	+0.4	+4.8	+7.5
	OP	1.2	0.7	0.6	1.3	2.5	1.3	0.8	0.4	1.2	2.5	+0.1	+0.1	-0.2	-0.1	0.0
Others	Sales	9.4	6.8	7.6	14.4	23.8	10.4	6.1	7.8	13.9	24.3	+1.0	-0.7	+0.2	-0.5	+0.5
	OP	0.0	0.4	0.4	0.8	0.8	0.0	0.2	0.5	0.7	0.7	0.0	-0.2	+0.1	-0.1	-0.1
Adjustment	Sales	-26.6	-16.1	-15.8	-31.9	-58.5	-40.0	-24.1	-20.7	-44.8	-84.8	-13.4	-8.0	-4.9	-12.9	-26.3
	OP	-1.6	-1.2	-0.5	-1.7	-3.3	-1.9	-0.8	-0.9	-1.7	-3.6	-0.3	+0.4	-0.4	0.0	-0.3
Total	Sales	94.5	43.7	70.9	114.6	209.1	91.8	49.5	67.0	116.5	208.3	-2.7 (-3%)	+5.8 (+13%)	-3.9 (-6%)	+1.9 (+2%)	-0.8 (0%)
	OP	18.0	5.6	18.9	24.5	42.5	21.3	12.6	16.1	28.7	50.0	+3.3 (+19%)	+7.0 (+124%)	-2.8 (-15%)	+4.2 (+17%)	+7.5 (+18%)

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo



# FY2021 Financial Outlook Compared to Outlook(as of Nov 2021) by Segment

(¥billion)

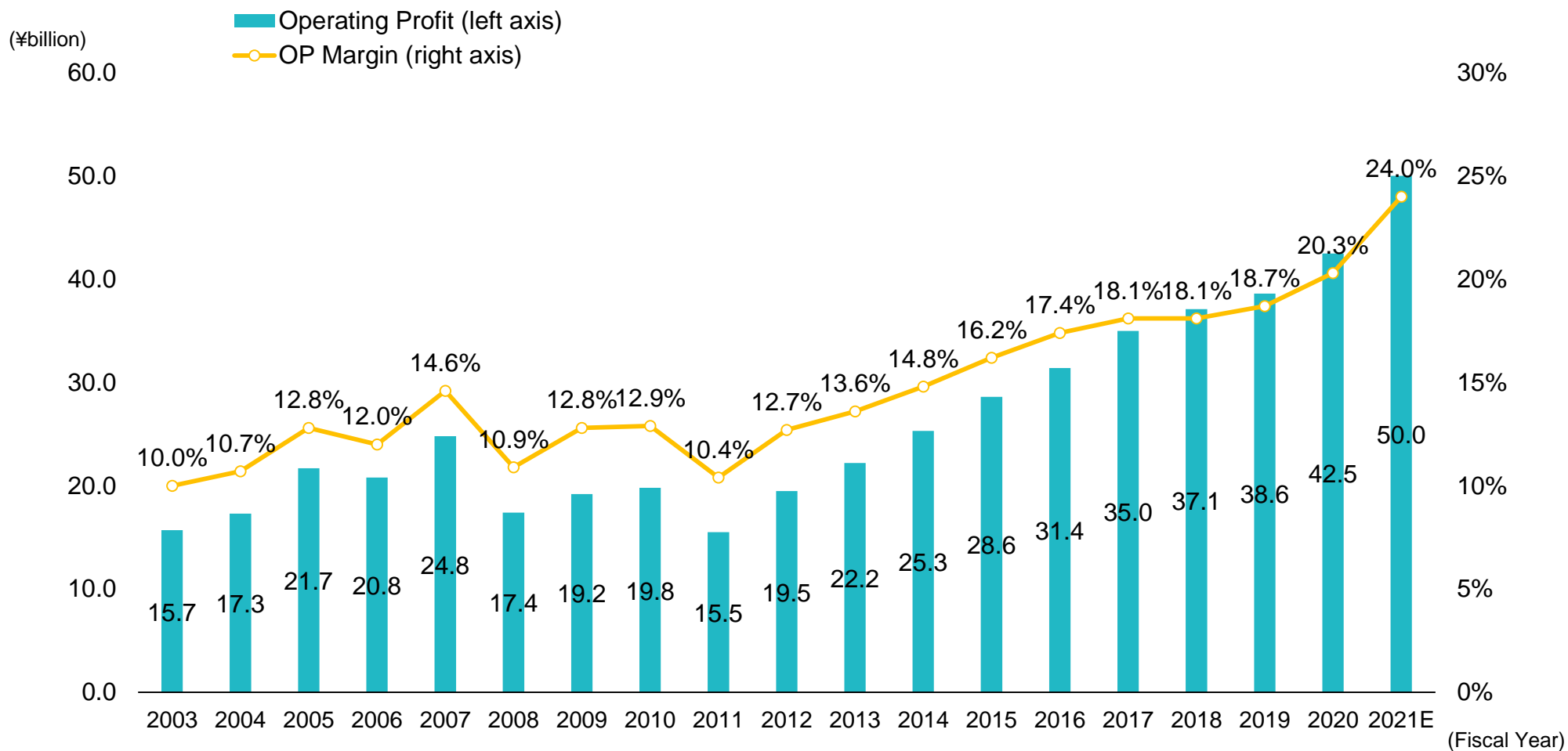
		FY2021 Outlook as of Nov 2021					FY2021 Outlook as of Feb 2022					vs. Outlook as of Nov 2021
		1H Actual	3Q	4Q	2H	Total	1H Actual	3Q Actual	4Q	2H	Total	Total
Chemicals	Sales	17.1	9.6	9.7	19.3	36.4	17.1	10.5	9.7	20.2	37.3	+0.9
	OP	1.2	1.0	0.7	1.7	2.9	1.2	1.3	0.7	2.0	3.2	+0.3
Performance Materials	Sales	39.6	20.5	20.8	41.3	80.9	39.6	20.9	20.8	41.7	81.3	+0.4
	OP	13.2	6.6	6.5	13.1	26.3	13.2	7.6	6.5	14.1	27.3	+1.0
Agrochemicals	Sales	25.0	11.2	29.6	40.8	65.8	25.0	11.9	29.6	41.5	66.5	+0.7
	OP	7.0	2.0	9.2	11.2	18.2	7.0	3.1	9.2	12.3	19.3	+1.1
Pharmaceuticals	Sales	3.3	1.9	1.1	3.0	6.3	3.3	2.0	1.1	3.1	6.4	+0.1
	OP	0.5	0.3	-0.3	0.0	0.5	0.5	0.4	-0.3	0.1	0.6	+0.1
Trading	Sales	36.4	20.0	18.7	38.7	75.1	36.4	22.2	18.7	40.9	77.3	+2.2
	OP	1.3	0.6	0.4	1.0	2.3	1.3	0.8	0.4	1.2	2.5	+0.2
Others	Sales	10.4	5.3	7.8	13.1	23.5	10.4	6.1	7.8	13.9	24.3	+0.8
	OP	0.0	0.1	0.5	0.6	0.6	0.0	0.2	0.5	0.7	0.7	+0.1
Adjustment	Sales	-40.0	-21.8	-20.7	-42.5	-82.5	-40.0	-24.1	-20.7	-44.8	-84.8	-2.3
	OP	-1.9	-1.2	-0.3	-1.5	-3.4	-1.9	-0.8	-0.9	-1.7	-3.6	-0.2
Total	Sales	91.8	46.7	67.0	113.7	205.5	91.8	49.5	67.0	116.5	208.3	+2.8
	OP	21.3	9.4	16.7	26.1	47.4	21.3	12.6	16.1	28.7	50.0	+2.6

1. Including inter-segment sales/transfers

2. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo

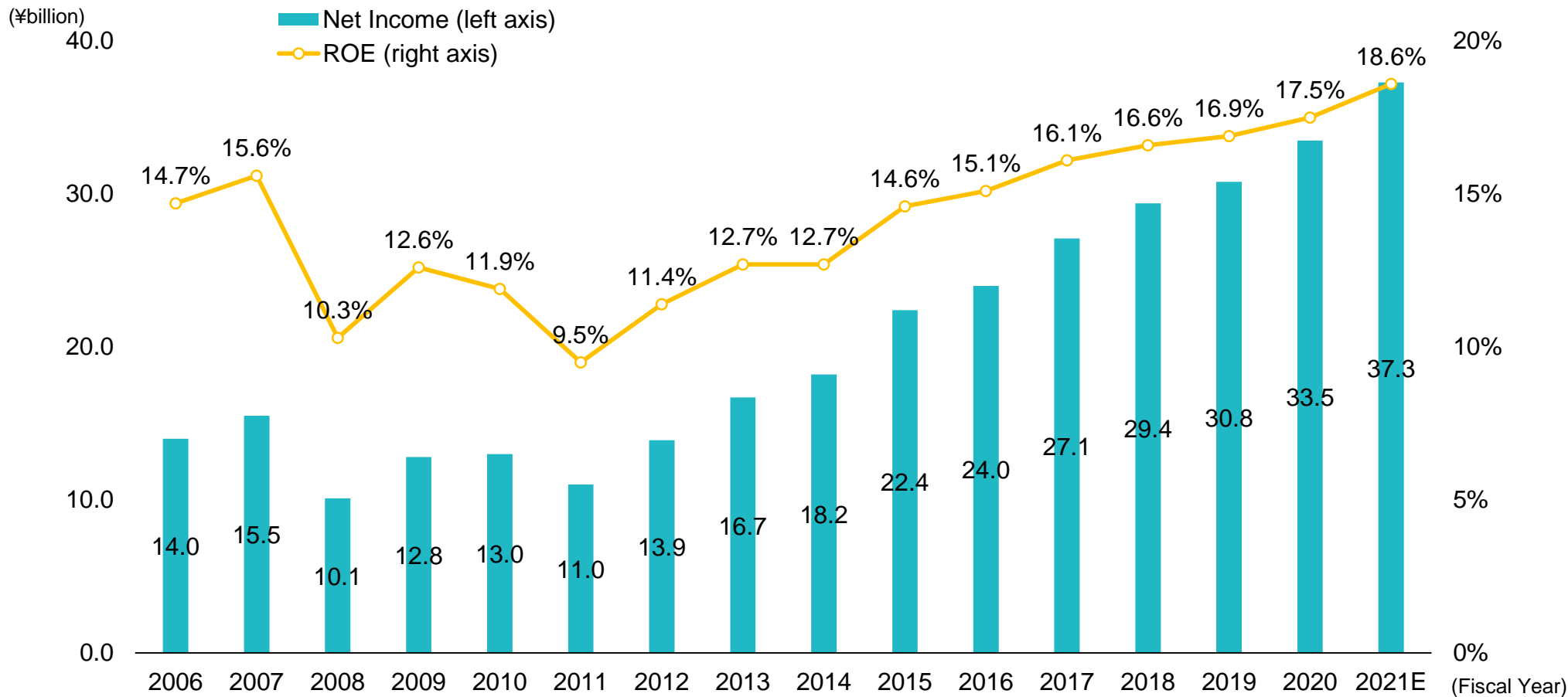
# OP Margin and EPS Trend

- OP margin has been above 10% for 18 consecutive years (FY2003-2020)
- FY2021 Outlook : 24.0%



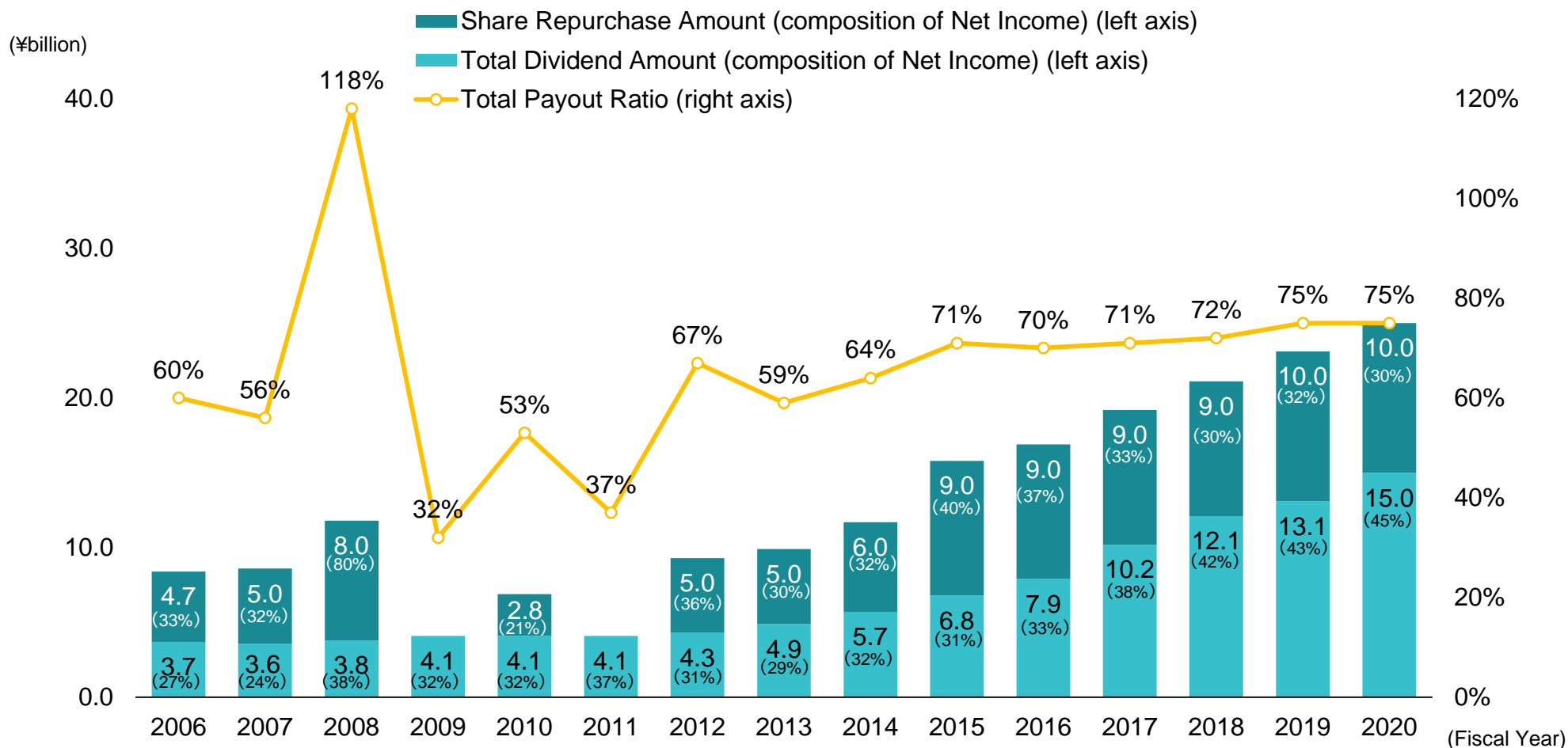
# ROE Trend

- Position ROE as the most important financial indicator for a long time
- Mid-Term Plan FY2019-2021 Target : Maintain above 16%  
⇒ Achieved in FY2019 (16.9%) and FY2020 (17.5%)
- FY2021 Outlook : 18.6%



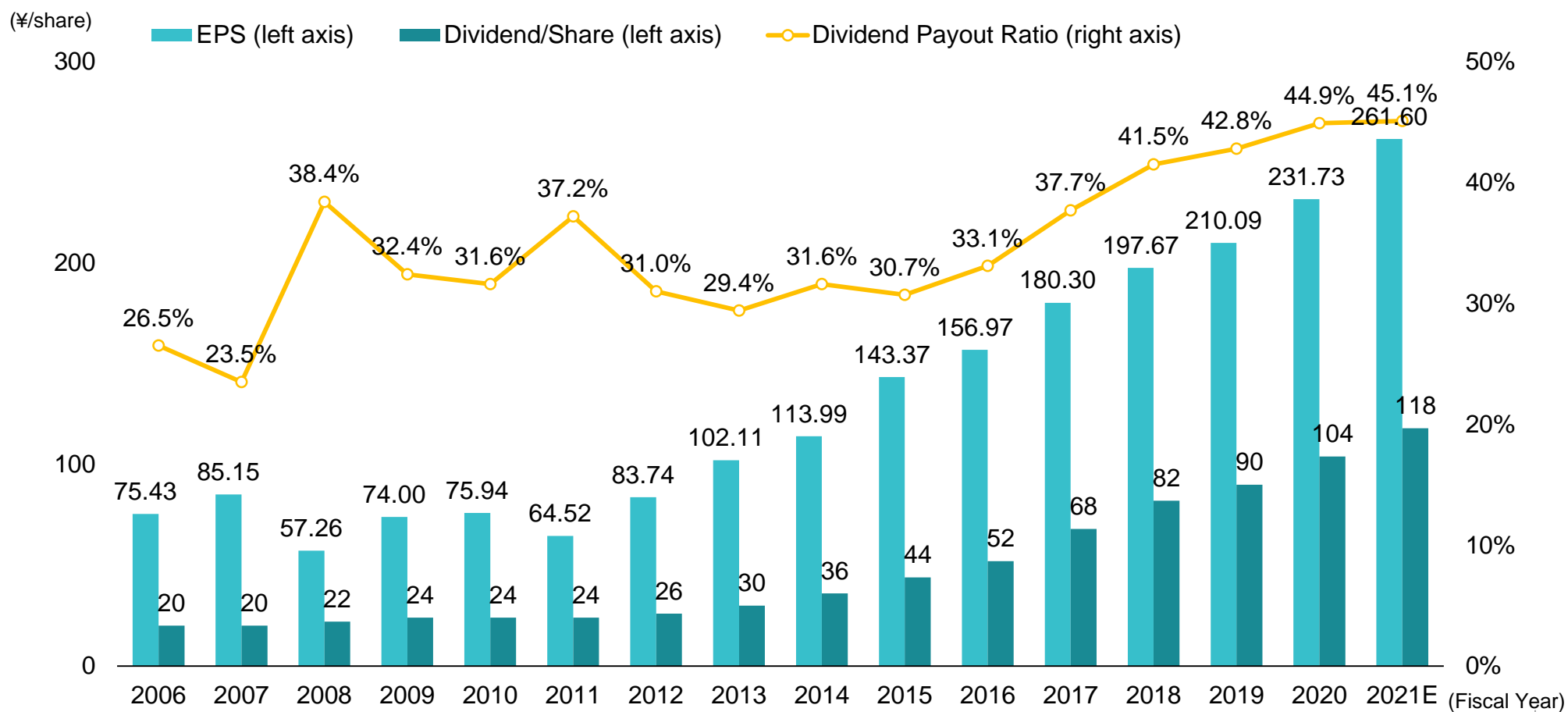
# Shareholders Return Policy - Total Payout Ratio

- Maintain an aggressive shareholders return policy
- Mid-Term Plan FY2019-2021 Target : 72.5% in FY2019, 75% after FY2020  
⇒ Achieved in FY2019 (75%) and FY2020 (75%)
- FY2021 Total payout ratio target 75%



# Shareholders Return Policy – Dividend Payout Ratio

- Gradually increased from 30.7% in FY2015 to 41.5% in FY2018
- Mid-Term Plan FY2019-2021 Target : 42.5% in FY2019, 45% after FY2020  
⇒ Achieved in FY2019 (42.8%) and FY2020 (44.9%)
- FY2021 Outlook : 45.1%
- Increased dividend/share for 9 consecutive years until FY2020



# Shareholders Return Policy - Share Repurchase

- Started share repurchase in FY2006 only to enhance ROE
- Repurchased ¥92.5 billion, 42.7 million shares (22.8% of shares issued) in total from FY2006 to FY2020
- Cancelled all repurchased shares
- Continue to strengthen shareholders return through share repurchase

## FY2006 - 2020 Shareholders Return

Fiscal Year	2006	2007	2008	2010	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Shares purchased (thousand shares) <sup>1</sup>	3,500	3,399	7,355	2,167	6,372	3,263	2,764	3,333	2,621	2,292	1,682	2,138	1,829	42,715
Purchase costs (¥billion) <sup>1</sup>	4.7	5.0	8.0	2.8	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	92.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	3,000	6,000	4,000	3,000	2,000	2,000	3,000	2,000	3,000	1,000	42,635
Shares issued at FY end (million shares)	185	181	174	171	165	161	158	156	154	151	149	146	145	
Treasury shares at FY end (thousand shares) <sup>2</sup>	1,367	1,233	1,660	885	1,258	522	287	1,621	2,242	1,535	1,218	523	1,352	
Total payout ratio (dividend + share repurchase) (%)	60	56	118	53	67	59	64	71	70	71	72	75	75	

## FY2018-2021 Share Repurchase and Cancel Program

Fiscal Year	2018			2019			2020			2021	
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H	From Feb. 7, 2022 to Apr. 28, 2022 <sup>3</sup>
Shares purchased (thousand shares) <sup>1</sup>	976	706	1,682	1,270	868	2,138	1,334	495	1,829	1,262	Up to 1,000
Purchase costs (¥billion) <sup>1</sup>	5.0	4.0	9.0	6.0	4.0	10.0	7.0	3.0	10.0	7.0	Up to 5.0
Shares cancelled (thousand shares)	2,000	0	2,000	2,000	1,000	3,000	1,000	0	1,000	2,000	

1. Excluding share acquisitions for performance-based compensation (166,200 shares) 2. Including share acquisitions for performance-based compensation (166,200 shares)  
 3. Announced on February 4, 2022 4. No share repurchase in FY2009 and FY2011

## Cash Management Policy (Non-consolidated basis)

Level of Target Cash Balance= Minimum required level + 1/3 of annual scheduled long-term borrowings repayment  
 + 1/3 of short-term borrowings outstanding + Contingent risk reserves

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**E**  
(Environment)

**S**  
(Social)

**G**  
(Governance)

- Established new long-term target for reducing greenhouse gas (GHG) emissions
- Mid-term target in Vista2021(FY2016-2021) :
  - Plan to reduce GHG emissions by 20% from FY2011 levels by FY2021 → Achieved 27% reduction in FY2019 compared to FY2011
- New long-term target: Plan to reduce GHG emissions by 30% from FY2018 levels by FY2030

GHG emission (1,000t-CO<sup>2</sup>)

Fiscal Year	2011	2018	2019	2020	2021	2030
Mid-term target in Vista2021	-	-	-	-	359	-
Actual	448	363	327	318	-	-
New long-term target	-	-	-	-	-	254
Average of 4 major Japanese chemical companies (non-consolidated basis)	-	-	5,845	5,581	-	-

- April 2021 Announced its Diversity Statement and Diversity Vision
- November 2021 Published [“Integrated Report 2021”](#)
- June 2022 (plan) Plan to reduce GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018)
- 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 2021 One female Outside Director added, as a result, the Board of Directors includes 4 Outside Directors out of 10
- December 2021 Updated and disclosed ["Corporate Governance Report"](#) including skills matrix for the board



# ESG Index and Third-party Recognition

## Dow Jones Sustainability Asia Pacific Index

- November 2021  
Selected as a constituent  
for 4 consecutive years

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

## S&P/JPX Carbon Efficient Index

- March 2021  
Selected as a constituent  
for 3 consecutive years



## FTSE4Good Index Series・FTSE Blossom Japan Index

- July 2021  
Selected as a constituent  
for 2 consecutive years



## MSCI Japan Empowering Women (WIN) Select Index

- December 2021  
Selected as a constituent

**2022** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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## CDP

- December 2021  
Listed on Water Security “A List” for 3  
consecutive years and Climate Change  
“A- List” for 3 consecutive years



## Task Force on Climate-related Financial Disclosures (TCFD)

- August 2020  
Announced its support for  
recommendations



## Certified Health & Productivity Management Organization (White 500)

- March 2021  
Acquired for 5 consecutive years



## Corporate Value Improvement Award hosted by TSE

- January 2020  
Selected as one of the 50 candidates among all listed  
companies by the Tokyo Stock Exchange for 2  
consecutive years

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# Changes in Accounting Policies (some figures updated since November 2021)

- Changes in accounting policies:** Adoption of the Accounting Standard for the Revenue Recognition (ASBJ Statement No.29)
- Timing of adoption:** April 1, 2021 (From FY2021)
- Major effects on PL, BS due to the changes:**

## Impact of Changes in Accounting Policies (YOY Change) (¥billion)

	FY2021 Outlook as of Feb 2022						
	1Q	2Q	1H	3Q	4Q	2H	Total
Sales Impact <sup>1</sup>	-3.5	-7.4	-10.9	-1.7	-8.2	-9.9	-20.8
OP Impact <sup>2</sup>	+1.2	-2.1	-0.9	+4.0	-3.2	+0.8	-0.1

1. Total impact of Agent transaction, Royalties based on sales amount and Sales discount subject to change at the selling timing

2. Total impact of Royalties based on sales amount and Sales discount subject to change at the selling timing

### A. Agent transactions

<b>Mainly effected segments</b>	Chemicals, Agrochemicals, Trading
<b>Before adoption</b>	Sales = gross amount from the customer, Sales expenses = amount paid to the supplier
<b>After adoption</b>	Sales = gross amount from the customer - amount paid to the supplier
<b>Estimated impact on FY2021 PL Outlook</b>	Sales and sales expenses down ¥20.7 billion, only deducted from Sales of Adjustment segment No impact on Operating Profit

### B. Royalties based on sales amount

<b>Mainly effected segments</b>	Agrochemicals (Fluralaner running royalties)	3. MSD: MSD Animal Health, the global animal health business unit of Merck
<b>Before adoption (until FY2021)</b>	Royalties revenue on MSD <sup>3</sup> 's sales for Jan-June: recognized in Aug, July-Dec: recognized in Feb	
<b>After adoption (from FY2021)</b>	Royalties revenue on MSD <sup>3</sup> 's sales for Jan-Mar: recognized in May, Apr-June: recognized in Aug, July-Sep: recognized in Nov, Oct-Dec: recognized in Feb	

### C. Sales discount subject to change at the selling timing

<b>Mainly effected segments</b>	Agrochemicals
<b>Before adoption</b>	Recognized when discount is finally fixed
<b>After adoption</b>	Recognized corresponding to sales period based on reasonable estimation
<b>Estimated impact on FY2021 BS</b>	■ The cumulative effect (¥1.5 billion)(after reflecting tax effect) of retroactively applying (C) is deducted from the beginning FY2021 retained earnings (BS item)

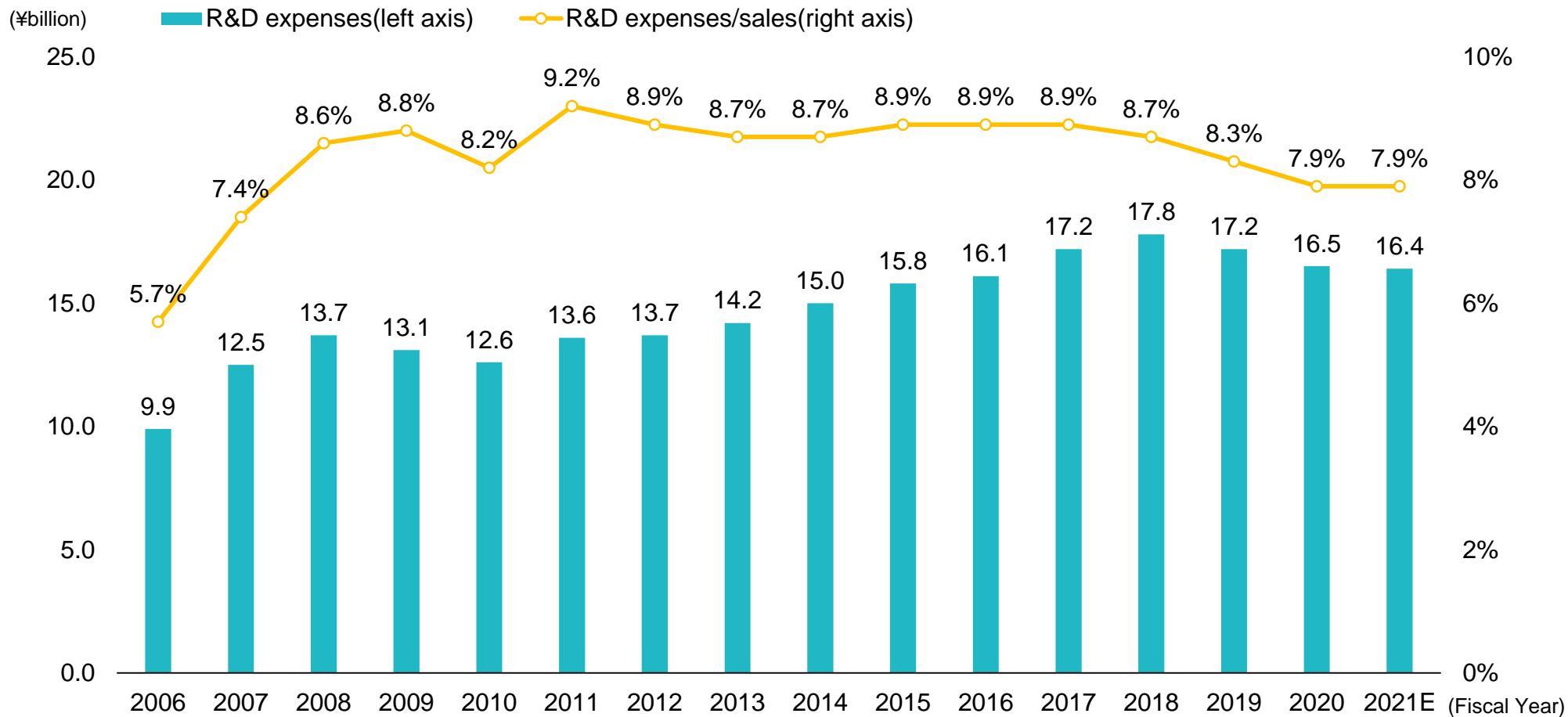
**Sales discount amount trend after adoption vs. before adoption:** 1Q up(negative impact), 2Q down, 1H up, 2H down, Total almost flat

<b>Before adoption</b>	<b>FY2020</b>	Discount on AY2020*(Oct 2019 – Sep 2020) sales
<b>After adoption</b>	<b>FY2020</b>	Discount on AY2020*(Oct 2019 – Sep 2020) sales + discount for Oct 2020 – Mar 2021 sales = ¥1.5 billion
	<b>FY2021</b>	Discount on Apr 2021 – Mar 2022 sales

AY2020\* = Agrochemical Year (from Oct 2019 to Sep 2020)

# R&D Expenses Trend

- Value R&D as a future-creating enterprise that responds to social needs with unique, innovative technologies
- Maintain above 8% R&D expenses/sales in recent years



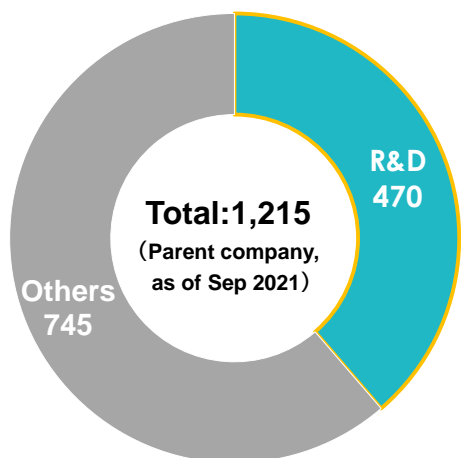
# R&D Investment Philosophy

- Achieve high OP margin despite aggressive investment in R&D
- About 40% of professional staff engaged in R&D

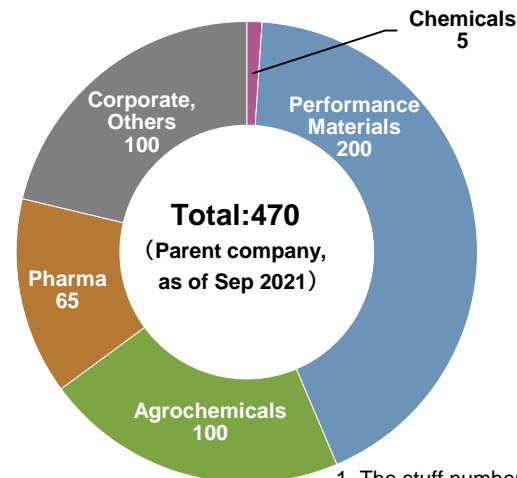
## R&D Expenses by Segment

Segments	FY2020 Actual				
	Sales (¥billion)	OP (¥billion)	OP Margin	R&D expenses (¥billion)	R&D Expenses/Sales
Chemicals	31.9	1.5	4.7%	0.3	0.9%
Performance Materials	71.6	22.4	31.3%	7.0	9.8%
Agrochemicals	63.8	18.2	28.5%	4.4	6.9%
Pharmaceuticals	6.7	0.4	6.0%	2.4	35.8%
Corporate, others	-	-	-	2.4	-
<b>Total (including Others, Adjustment)</b>	<b>209.1</b>	<b>42.5</b>	<b>20.3%</b>	<b>16.5</b>	<b>7.9%</b>

## Professional Staff Distribution



## R&D Professional Staff Distribution



1. The staff number indicated is round number

# Long-term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	208.3
Operating Profit	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	50.0
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5	23.7	26.4	29.5	31.7	36.2	39.1	40.0	43.9	51.8
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9	16.7	18.2	22.4	24.0	27.1	29.4	30.8	33.5	37.3
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.3	25.9	29.1	30.8	33.8	38.3	40.3	45.5	48.0	49.2	53.0	60.5
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	24.0%
ROE	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%	12.7%	12.7%	14.6%	15.1%	16.1%	16.6%	16.9%	17.5%	18.6%
EPS (¥/share)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74	102.11	113.99	143.37	156.97	180.30	197.67	210.09	231.73	261.60
Dividend (¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	52	68	82	90	104	118
Dividend Payout Ratio	23.8%	18.4%	20.6%	26.5%	23.5%	38.4%	32.4%	31.6%	37.2%	31.0%	29.4%	31.6%	30.7%	33.1%	37.7%	41.5%	42.8%	44.9%	45.1%
Share Repurchase	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	12.0
Total Assets	172.6	169.4	183.2	177.3	172.7	172.3	181.4	183.4	190.1	199.2	208.0	223.9	228.2	231.7	246.0	247.0	249.5	265.5	-
Net Assets	70.4	80.0	93.6	99.3	101.2	96.8	107.7	112.4	119.6	126.7	137.8	151.3	156.9	163.7	176.4	182.1	185.5	200.6	-
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9	30.8	31.3	35.3	35.7	37.7	36.2	30.6	32.4	-
Liabilities with Interest	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9	38.1	36.1	35.1	33.1	30.8	28.6	26.6	24.6	22.7	-
Equity Ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%	65.7%	66.9%	68.1%	69.9%	71.0%	73.0%	73.7%	74.9%	-
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	7.9	8.8	9.8	10.2	14.3	13.7	9.9	15.7	15.8	11.8
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5	8.5	8.5	9.7	8.9	10.5	10.9	10.5	10.4	10.5
R&D Expenses	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6	13.7	14.2	15.0	15.8	16.1	17.2	17.8	17.2	16.5	16.4
R&D Expenses/Sales	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%	8.7%	8.7%	8.9%	8.9%	8.9%	8.7%	8.3%	7.9%	7.9%

1. 2021E : Including effects of changes in accounting policies (see p51)

# Sales and OP Trend by Segment

Sales (A)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	(¥billion)
Chemicals	38.1	36.9	34.5	35.5	34.3	34.3	34.8	34.9	35.7	34.3	31.9	37.3	
Performance Materials	38.0	34.0	37.4	42.8	49.4	51.8	52.8	58.8	63.0	65.5	71.6	81.3	
Agrochemicals	34.4	33.8	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.0	63.8	66.5	
Pharmaceuticals	9.6	10.0	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0	6.7	6.4	
Trading	44.1	44.8	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.9	69.8	77.3	
Others	27.0	20.0	21.2	21.4	20.9	20.9	24.0	21.5	24.6	22.4	23.8	24.3	
Adjustment	-37.0	-30.9	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-54.3	-58.5	-84.8	
<b>Total</b>	<b>154.2</b>	<b>148.6</b>	<b>153.8</b>	<b>163.7</b>	<b>171.2</b>	<b>176.9</b>	<b>180.3</b>	<b>193.4</b>	<b>204.9</b>	<b>206.8</b>	<b>209.1</b>	<b>208.3</b>	

## OP (B)

Chemicals	2.4	1.6	1.9	1.9	1.9	3.9	3.8	3.4	3.0	1.3	1.5	3.2	
Performance Materials	7.9	4.8	7.2	8.8	12.0	12.0	12.5	14.2	15.0	17.0	22.4	27.3	
Agrochemicals	4.8	4.4	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.3	18.2	19.3	
Pharmaceuticals	4.4	4.6	5.2	4.9	2.3	2.0	1.7	1.2	1.0	0.9	0.4	0.6	
Trading	1.4	1.3	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.1	2.5	2.5	
Others	1.0	0.3	0.7	0.8	0.6	0.5	1.0	0.6	0.9	0.7	0.8	0.7	
Adjustment	-2.1	-1.5	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.7	-3.3	-3.6	
<b>Total</b>	<b>19.8</b>	<b>15.5</b>	<b>19.5</b>	<b>22.2</b>	<b>25.3</b>	<b>28.6</b>	<b>31.4</b>	<b>35.0</b>	<b>37.1</b>	<b>38.6</b>	<b>42.5</b>	<b>50.0</b>	

## Segment Assets

(FY2020)(D)

Chemicals	30.8
Performance Materials	51.0
Agrochemicals	82.8
Pharmaceuticals	9.6
Trading	26.2
Others	12.8
Adjustment	52.3
<b>Total</b>	<b>265.5</b>

## OP Margin (B)/(A)

Chemicals	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	3.8%	4.7%	8.6%	
Performance Materials	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	26.0%	31.3%	33.6%	
Agrochemicals	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	30.2%	28.5%	29.0%	
Pharmaceuticals	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	12.9%	6.0%	9.4%	
Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.6%	3.2%	
Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%	4.2%	2.8%	3.7%	3.1%	3.4%	2.9%	
<b>Total</b>	<b>12.9%</b>	<b>10.4%</b>	<b>12.7%</b>	<b>13.6%</b>	<b>14.8%</b>	<b>16.2%</b>	<b>17.4%</b>	<b>18.1%</b>	<b>18.1%</b>	<b>18.7%</b>	<b>20.3%</b>	<b>24.0%</b>	

## ROA(FY2020)

(B)/(D)

Chemicals	4.9%
Performance Materials	43.9%
Agrochemicals	22.0%
Pharmaceuticals	4.2%
Trading	9.5%
Others	6.3%
<b>Total</b>	<b>16.0%</b>

1. FY2010-2011 : Former Segmentation, FY2012- : New Segmentation 2. Including inter-segment sales/transfers 3. FY2019-2021E : New OP method

4. FY2021E: Including Sales decrease due to changes in accounting policies (see p51)

5. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo

A. Applied from FY2020 (no change for sales segmentation)

B. FY2019 restated based on new methods

C. Consolidation items

(such as unrealized gain on inventories)

- (Old method) Included in each segment

- (New method) Excluded from each segment and included in "Adjustment"

# Quarterly Sales Trend by Segment (FY2018 - FY2021 Outlook)

(¥billion)

	FY2018 Actual					FY2019 Actual					FY2020 Actual					FY2021 Outlook as of Feb 2022					FY2021 Outlook as of Nov 2021	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	3Q	4Q
Chemicals	8.7	8.3	9.6	9.1	35.7	8.4	8.4	8.7	8.8	34.3	7.4	7.3	8.3	8.9	31.9	8.8	8.3	10.5	9.7	37.3	9.6	9.7
Fine Chemicals	2.7	2.4	2.6	2.7	10.4	2.6	2.6	2.6	2.7	10.5	2.7	2.7	2.8	3.2	11.4	3.2	3.0	3.7	3.7	13.6	3.4	3.7
Basic Chemicals	6.0	5.9	7.0	6.4	25.3	5.8	5.8	6.1	6.1	23.8	4.7	4.6	5.5	5.7	20.5	5.6	5.3	6.8	6.0	23.7	6.2	6.0
Performance Materials	15.6	16.4	16.6	14.4	63.0	15.1	16.3	17.0	17.1	65.5	17.1	17.5	19.2	17.8	71.6	20.0	19.6	20.9	20.8	81.3	20.5	20.8
Agrochemicals	16.4	12.3	5.9	28.1	62.7	14.7	13.2	5.5	30.6	64.0	14.6	11.1	6.3	31.8	63.8	13.4	11.6	11.9	29.6	66.5	11.2	29.6
Pharmaceuticals	1.8	1.9	1.9	1.4	7.0	1.9	1.5	1.6	2.0	7.0	1.5	1.5	1.4	2.3	6.7	1.1	2.2	2.0	1.1	6.4	1.9	1.1
Drug Discovery	-	-	-	-	-	1.4	0.7	0.9	1.0	4.1	0.7	0.8	0.6	0.8	2.9	0.6	0.8	0.5	0.4	2.3	0.6	0.4
Custom Chemicals	-	-	-	-	-	0.5	0.8	0.6	1.0	2.9	0.8	0.7	0.8	1.5	3.8	0.4	1.5	1.4	0.7	4.1	1.3	0.7
Trading	17.8	15.6	18.1	16.4	67.9	17.5	15.8	17.5	17.1	67.9	18.2	15.5	17.8	18.3	69.8	17.8	18.6	22.2	18.7	77.3	20.0	18.7
Others	4.6	5.9	7.2	6.9	24.6	4.9	4.9	5.1	7.5	22.4	4.8	4.6	6.8	7.6	23.8	4.9	5.5	6.1	7.8	24.3	5.3	7.8
Adjustment	-14.0	-13.3	-15.4	-13.3	-56.0	-13.8	-12.3	-13.9	-14.3	-54.3	-14.3	-12.3	-16.1	-15.8	-58.5	-19.5	-20.5	-24.1	-20.7	-84.8	-21.8	-20.7
Total	50.9	47.1	43.9	63.0	204.9	48.7	47.8	41.5	68.8	206.8	49.3	45.2	43.7	70.9	209.1	46.5	45.3	49.5	67.0	208.3	46.7	67.0

1. Including inter-segment sales/transfers

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

3. In FY2020, FINEOXOCOL (cosmetic raw materials etc.) was transferred from Basic Chemicals to Fine Chemicals

4. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo



# Quarterly OP Trend by Segment (FY2018 - FY2021 Outlook)

	FY2018 Actual					FY2019 Actual					FY2020 Actual					FY2021 Outlook as of Feb 2022					FY2021 Outlook as of Nov 2021		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	3Q	4Q	
Chemicals	1.6	-0.4	1.0	0.8	3.0	0.9	-0.6	0.5	0.5	1.3	0.7	-0.8	0.7	0.9	1.5	1.3	-0.1	1.3	0.7	3.2	1.0	0.7	
Performance Materials	3.9	4.2	4.3	2.6	15.0	4.0	4.4	4.7	3.9	17.0	5.3	5.4	6.3	5.4	22.4	7.0	6.2	7.6	6.5	27.3	6.6	6.5	
Agrochemicals	5.1	4.7	-1.3	9.9	18.4	4.5	4.9	-1.8	11.7	19.3	4.0	3.8	-1.3	11.7	18.2	4.1	2.9	3.1	9.2	19.3	2.0	9.2	
Pharmaceuticals	0.3	0.3	0.4	0.0	1.0	0.4	0.1	0.1	0.3	0.9	-0.1	0.1	0.0	0.4	0.4	-0.2	0.7	0.4	-0.3	0.6	0.3	-0.3	
Drug Discovery	-	-	-	-	-	0.2	-0.2	-0.2	0.0	-0.1	-0.2	-0.1	-0.4	-0.2	-0.9	-0.3	-0.2	-0.3	-0.5	-1.2	-0.3	-0.5	
Custom Chemicals	-	-	-	-	-	0.2	0.3	0.2	0.4	1.1	0.2	0.2	0.3	0.6	1.3	0.1	0.8	0.8	0.3	1.9	0.7	0.3	
Trading	0.6	0.5	0.6	0.3	2.0	0.5	0.5	0.6	0.5	2.1	0.7	0.5	0.7	0.6	2.5	0.7	0.6	0.8	0.4	2.5	0.6	0.4	
Others	0.1	0.1	0.2	0.5	0.9	0.1	0.0	0.1	0.5	0.7	0.0	0.0	0.4	0.4	0.8	0.1	-0.1	0.2	0.5	0.7	0.1	0.5	
Adjustment	-0.9	-0.7	-0.8	-0.8	-3.2	-1.1	-0.6	-0.7	-0.3	-2.7	-0.8	-0.8	-1.2	-0.5	-3.3	-1.1	-0.8	-0.8	-0.9	-3.6	-1.2	-0.3	
<b>Total</b>	<b>10.7</b>	<b>8.7</b>	<b>4.4</b>	<b>13.3</b>	<b>37.1</b>	<b>9.3</b>	<b>8.7</b>	<b>3.5</b>	<b>17.1</b>	<b>38.6</b>	<b>9.8</b>	<b>8.2</b>	<b>5.6</b>	<b>18.9</b>	<b>42.5</b>	<b>11.9</b>	<b>9.4</b>	<b>12.6</b>	<b>16.1</b>	<b>50.0</b>	<b>9.4</b>	<b>16.7</b>	

1. FY2019-2021 : New OP method (see p55)

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

3. Trading: Nissei Corporation, Others: Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering and Nihon Hiryo

# Main Products by Segment

Segment		Products	Main Applications		
Chemicals	Fine Chemicals	TEPIC®	epoxy compound for LED sealants, solder resist, painting		
		Melamine cyanurate	flame retardant		
		Environmental product	HI-LITE® (chlorinated isocyanuric acid for sterilizing)		
	Basic Chemicals	Melamine	adhesive agent for plywood		
		AdBlue®	solution of urea in demineralised water for diesel trucks to reduce NOx		
		High purity Sulfuric acid	agents used for cleaning semiconductors		
		Ammonia, Sulfuric acid, Nitric acid			
Performance Materials	Electronic Materials	SUNEVER	LCD alignment coating		
		ARC®	bottom anti-reflective coating for semiconductors		
		OptiStack®	multi layer process material for semiconductors (Si-HM/SOC)		
		NHC	protective coating for touch panel		
		OPTIFOCUS	microlens material for image sensor application		
		ELSOURCE	hole injection layer materials for OLED		
	Inorganic Materials	SNOWTEX	water dispersed colloidal silica sol for polishing silicon wafers, special steel sheets		
		Organo silica sol	film coating, antistatic interference shielding, electronic printing materials		
		Monomer sol	resin additive		
		Alumina sol	automotive catalyst, electronic printing materials		
		SUNCOLLOID	high refractive sol for lens		
		CELNAX	antistatic sol for film		
		Oilfield materials	for enhancing oil recovery		
		Agrochemicals	Herbicide	TARGA	soybean, rapeseed, sugarbeet
				PERMIT	corn, sugarcane, rice
SIRIUS, ALTAIR	rice				
ROUNDUP	non-selective herbicide for orchard, noncrop land				
Insecticide	SANMITE, MITOKOHNE, STARMITE		fruits, citrus, tea, vegetables		
	GRACIA		vegetables, tea		
Fungicide	PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)		potato, rice, turf		
	LEIMAY/ORACLE		potato, vegetables, grape		
	QUINTEC (QUINOXYFEN)		fruits, vegetables		
	DITHANE (MANCOZEB)		fruits, vegetables		
Animal health products	Fluralaner		active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites)		
	LIVALO API		anti-cholesterol drug		
Pharmaceuticals			Custom Chemicals	custom manufacturing and process researching services for pharmaceutical companies	

1. ARC® and OptiStack® are registered trade mark of Brewer Science, Inc.

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