

November 5, 2014

Presentation for Investors

1H FY2014 (April 1 – September 30, 2014) Financial Results

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Director and Senior Executive Vice President**

**Translation of presentation materials for the investor meeting held in Tokyo
on November 5, 2014**

1H FY2014 PL

(¥billion)

	1H FY2013	1H FY2014	Change	Change (%)	1H FY2014 Outlook as of May 2014	1H FY2014 Outlook as of July 2014
Sales	76.4	79.9	3.5	5%	77.0	79.0
Operating Profit	10.6	Record 12.5	1.9	18%	9.6	11.3
Non-Operating Income/Expenses	0.5	0.2	-0.3	-54%	0.0	-0.1
Ordinary Income	11.1	Record 12.7	1.6	15%	9.6	11.2
Extraordinary Profit/Loss (1)	-	-0.4	-0.4	-	-	-
Net Income	8.0	Record 8.9	0.9	11%	6.9	8.0
EBITDA (2)	14.6	16.2	1.6	11%	13.5	15.1
EPS (¥)	48.62	55.15	6.53	13%	43.00	49.85
Dividend (¥/share)	¥14	¥14	¥0		¥14	¥14
Total amount of Dividend	2.3	2.2	-0.1		2.2	2.2
OP Margin	13.8%	15.6%	1.8%		12.5%	14.3%
FX Rate (¥/\$)	99	103			105	
Naphtha (¥/KL) (3)	64,700	70,400			71,300	
Comprehensive Income	10.0	10.2				

(1) Product compensation expenses related to caking problems of PULSOR (agrochemical product)

(2) EBITDA = Operating Profit + Depreciation

(3) Based on Trade Statistics of Japan Ministry of Finance (1H FY2014: Based on April-August actual)

1H FY2014 Review

<vs. 1H FY2013>	(Sales) ◆Up	¥3.5 billion (+4.6%)	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
	(OP) ◆Up	¥1.9 billion (+18.2%)	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
	(Non-Operating Income and Expenses) ◆Down	¥0.3 billion	
	(Ordinary Income) ◆Up	¥1.6 billion (+14.5%)	
	(Extraordinary Income) ◆Down	¥0.4 billion	Product compensation expenses ¥0.4 billion
	(Net Income) ◆Up	¥0.9 billion (+11.2%)	
	(EPS) ◆Up	¥6.53 (+13.4%)	

OP, Ordinary Income, Net Income renewed the highest results for 1H recorded in 1H FY2013

<vs. 1H FY2014 Outlook as of May 2014>

	(Sales) ◆Up	¥2.9 billion	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
	(OP) ◆Up	¥2.9 billion	(+) Performance Materials, Agrochemicals, Trading (-) Chemicals, Pharmaceuticals
	(Ordinary Income) ◆Up	¥3.1 billion	
	(Extraordinary Income) ◆Down	¥0.4 billion	Product compensation expenses ¥0.4 billion
	(Net Income) ◆Up	¥2.0 billion	
	(EPS) ◆Up	¥12.15	

<vs. 1H FY2014 Outlook as of July 2014 >

	(Sales) ◆Up	¥0.9 billion	(+) Performance Materials, Agrochemicals, Trading (±) Chemicals, Pharmaceuticals
	(OP) ◆Up	¥1.2 billion	(+) Chemicals, Performance Materials, Agrochemicals, Pharmaceuticals, Trading
	(Ordinary Income) ◆Up	¥1.5 billion	
	(Extraordinary Income) ◆Down	¥0.4 billion	Product compensation expenses ¥0.4 billion
	(Net Income) ◆Up	¥0.9 billion	
	(EPS) ◆Up	¥5.30	

<Dividend> ◆ 1H ¥14/share, 2H ¥16/share (same as Outlook as of May 2014)

1H FY2014

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

(¥billion)

	1H FY2013	1H FY2014	Change
Non-Operating Income	1.38	1.05	-0.33
Interest income, dividend income	0.28	0.31	0.03
Equity in earnings of affiliates	0.38	0.29	-0.09
Gain on foreign exchange	0.23	0.13	-0.10
Others	0.49	0.32	-0.17
Non-Operating Expenses	0.84	0.83	-0.01
Interest expense	0.16	0.13	-0.03
Loss on disposal of fixed assets	0.15	0.17	0.02
Others	0.53	0.53	0.00
Extraordinary Profit	-	-	-
Extraordinary Loss	-	0.39	0.39
Comprehensive Income	10.00	10.19	0.19
Net income	7.96	8.85	0.89
Minority interests	0.09	0.08	-0.01
Unrealized gains or losses on investment securities	1.41	0.75	-0.66
Foreign currency translation adjustments	0.54	0.54	0.00
Remeasurements of defined benefit plans	0.00	-0.30	-0.30

1H FY2014 Cash Flow

(¥billion)

	1H FY2013	1H FY2014
CF from operating activities	22.7	22.9
Profit before income tax	11.1	12.3
Depreciation & amortization	4.0	3.7
Tax	-3.9	-3.7
Working capital, others	11.5	10.6
CF from investing activities	-7.7	-2.8
Purchase of PPE	-4.1	-3.8
Others	-3.6	1.0
CF from financing activities	-19.1	-23.3
Dividends paid	-2.3	-2.6
Borrowings	-16.7	-20.7
Share repurchase	0.0	0.0
Others	-0.1	0.0
Effect of FX rate changes on cash & cash equivalents	0.2	0.1
Change in cash & cash equivalents	-3.9	-3.1
Cash & cash equivalents at end of period	28.0	27.6

1H FY2014 Balance Sheets

(¥billion)

	2013/9	2014/3 (A)	2014/9 (B)	Change (B) - (A)
Current assets	108.1	125.4	112.2	-13.2
Cash	28.0	30.8	27.6	-3.2
Accounts receivable	42.1	54.0	42.6	-11.4
Inventories	31.5	33.2	35.3	2.1
Others	6.5	7.4	6.7	-0.7
Fixed assets	79.3	82.6	84.6	2.0
Total PPE	44.8	45.0	47.2	2.2
Intangible assets	1.6	1.3	0.9	-0.4
Investment securities	31.1	33.6	33.2	-0.4
Others	1.8	2.7	3.3	0.6
Total assets	187.4	208.0	196.8	-11.2

	2013/9	2014/3 (A)	2014/9 (B)	Change (B) - (A)
Liabilities	53.1	70.2	51.2	-19.0
Accounts payable	14.4	16.1	14.9	-1.2
Borrowings	21.4	36.1	15.5	-20.6
Others	17.3	18.0	20.8	2.8
Net assets	134.3	137.8	145.6	7.8
Shareholders' equity	128.6	130.0	136.5	6.5
Unrealized gains or losses on investment securities	4.9	6.1	6.9	0.8
Foreign currency translation adjustments	-0.3	0.0	0.5	0.5
Minority interests	1.1	1.3	1.3	0.0
Remeasurements of defined benefit plans	-	0.4	0.4	0.0
Total liabilities & Net assets	187.4	208.0	196.8	-11.2

- Equity Ratio 71.1% 65.7% 73.3%
- D/E Ratio (1) -5.1% 4.1% -8.9%
- Change in shareholders' equity 6.5
= Net Income 8.9 - Dividend and others 2.4

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

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FY2014 Outlook

(¥billion)

	FY2013 Actual			FY2014 Outlook as of Nov. 2014			Change			Change (%)
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	Total
Sales	76.4	87.3	163.7	79.9	91.1	171.0	3.5	3.8	7.3	4%
Operating Profit	10.6	11.6	22.2	12.5	11.6	24.1	1.9	0.0	1.9	8%
Non-Operating Income/Expenses	0.5	1.0	1.5	0.2	0.5	0.7	-0.3	-0.5	-0.8	-53%
Ordinary Income	11.1	12.6	23.7	12.7	12.1	Record 24.8	1.6	-0.5	1.1	5%
Extraordinary Profit/Loss (1)	-	-	-	-0.4	-	-0.4	-0.4	-	-0.4	-
Net Income	8.0	8.7	16.7	8.9	8.9	Record 17.8	0.9	0.2	1.1	7%
EBITDA (2)	14.6	16.2	30.8	16.2	16.5	32.7	1.6	0.3	1.9	6%
EPS (¥)	48.62	53.49	102.11	55.15	55.77	110.92	6.53	2.28	8.81	9%
Dividend (¥/share)	¥14	¥16	¥30	¥14	¥16	¥30	¥0	¥0	¥0	
Total amount of Dividend	2.3	2.6	4.9	2.2	2.6	4.8	-0.1	0.0	-0.1	
OP Margin	13.8%	13.4%	13.6%	15.6%	12.7%	14.1%	1.8%	-0.7%	0.5%	
ROE (3)	-	-	12.7%	-	-	12.4%			-0.3%	
FX Rate (¥/\$)	99	100		103	103					
Naphtha (¥/kl)	64,700	69,900		70,400	70,000					
Comprehensive Income	10.0	10.4	20.4	10.2						

FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014		
1H	2H	Total	1H	2H	Total
77.0	92.0	169.0	79.0	91.0	170.0
9.6	12.9	22.5	11.3	12.2	23.5
0.0	0.5	0.5	-0.1	0.6	0.5
9.6	13.4	23.0	11.2	12.8	24.0
-	-	-	-	-	-
6.9	10.0	16.9	8.0	9.5	17.5
13.5	17.9	31.4	15.1	17.2	32.3
43.00	62.31	105.31	49.85	59.20	109.05
¥14	¥16	¥30	¥14	¥16	¥30
2.2	2.6	4.8	2.2	2.6	4.8
12.5%	14.0%	13.3%	14.3%	13.4%	13.8%
-	-	11.9%	-	-	12.2%
105	105				
71,300	71,300				

- (1) Product compensation expenses -0.4
 (2) EBITDA = Operating Profit + Depreciation
 (3) FY2014E excluding effects of FY2014 share repurchase

2H FY2014 Outlook

<vs. 2H FY2013>	(Sales) ◆Up	¥3.8 billion (+4.4%)	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
	(OP) ◆Down	¥0.0 billion (-0.7%)	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
	(Non-Operating Income and Expenses) ◆Down	¥0.5 billion	
	(Ordinary Income) ◆Down	¥0.5 billion (-4.0%)	
	(Net Income) ◆Up	¥0.2 billion (+2.3%)	
	(EPS) ◆Up	¥2.28 (+4.3%)	

<vs. 2H FY2014 Outlook as of May 2014>

	(Sales) ◆Down	¥0.9 billion	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
	(OP) ◆Down	¥1.3 billion	(+) Performance Materials, Agrochemicals (±) Trading (-) Chemicals, Pharmaceuticals
	(Ordinary Income) ◆Down	¥1.3 billion	
	(Net Income) ◆Down	¥1.1 billion	
	(EPS) ◆Down	¥6.54	

<vs. 2H FY2014 Outlook as of July 2014 >

	(Sales) ◆Up	¥0.1 billion	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
	(OP) ◆Down	¥0.6 billion	(+) Performance Materials, Agrochemicals (±) Chemicals, Trading (-) Pharmaceuticals
	(Ordinary Income) ◆Down	¥0.7 billion	
	(Net Income) ◆Down	¥0.6 billion	
	(EPS) ◆Down	¥3.43	

<Dividend> ◆ 1H ¥14/share, 2H ¥16/share(same as Outlook as of May 2014)

Full Year FY2014 Outlook

<vs. FY2013>

(Sales) ◆Up ¥7.3 billion (+4.5%) (+) Performance Materials, Agrochemicals, Trading
(-) Chemicals, Pharmaceuticals

(OP) ◆Up ¥1.9 billion (+8.3%) (+) Performance Materials, Agrochemicals, Trading
(-) Chemicals, Pharmaceuticals

(Non-Operating Income and Expenses) ◆Down ¥0.8 billion

(Ordinary Income) ◆Up ¥1.1 billion (+4.5%)

(Extraordinary Income) ◆Down ¥0.4 billion

(Net Income) ◆Up ¥1.1 billion (+6.6%)

(EPS) ◆Up ¥8.81 (+8.6%)

Product compensation expenses ¥0.4 billion

Ordinary Income and Net Income expected to renew the highest results(Ordinary Income FY2007, Net Income FY2013)

<vs. FY2014 Outlook as of May 2014>

(Sales) ◆Up ¥2.0 billion (+) Performance Materials, Agrochemicals, Trading
(-) Chemicals, Pharmaceuticals

(OP) ◆Up ¥1.6 billion (+) Performance Materials, Agrochemicals, Trading
(-) Chemicals, Pharmaceuticals

(Ordinary Income) ◆Up ¥1.8 billion

(Extraordinary Income) ◆Down ¥0.4 billion

(Net Income) ◆Up ¥0.9 billion

(EPS) ◆Up ¥5.61

Product compensation expenses ¥0.4 billion

<vs. FY2014 Outlook as of July 2014 >

(Sales) ◆Up ¥1.0 billion (+) Chemicals, Performance Materials, Agrochemicals, Trading
(-) Pharmaceuticals

(OP) ◆Up ¥0.6 billion (+) Chemicals, Performance Materials, Agrochemicals, Trading
(-) Pharmaceuticals

(Ordinary Income) ◆Up ¥0.8 billion

(Extraordinary Income) ◆Down ¥0.4 billion

(Net Income) ◆Up ¥0.3 billion

(EPS) ◆Up ¥1.87

Product compensation expenses ¥0.4 billion

<Dividend>

◆ 1H ¥14/share, 2H ¥16/share (same as Outlook as of May 2014)

FY2014 Cash Flow Outlook

			(¥billion)
	FY2013 Actual	FY2014 Outlook as of November 2014	FY2014 Outlook as of May 2014
CF from operating activities	23.8	22.7	20.3
Profit before income tax	23.7	24.4	23.0
Depreciation & amortization	8.5	8.6	8.9
Tax	-7.0	-6.8	-6.5
Working capital, others	-1.4	-3.5	-5.1
CF from investing activities	-13.5	-8.7	-8.6
Purchase of PPE	-9.0	-9.9	-10.3
Others	-4.5	1.2	1.7
CF from financing activities	-11.8	-11.8	-5.8
Dividends paid	-4.6	-4.8	-4.8
Borrowings	-2.1	-1.0	-1.0
Share repurchase	-5.0	-6.0	0.0
Others	-0.1	0.0	0.0
Effect of FX rate changes on cash & cash equivalents	0.4	0.0	0.0
Change in cash & cash equivalents	-1.1	2.2	5.9
Cash & cash equivalents at end of period	30.8	33.0	36.7

New Segmentation (From October 1, 2013)

Former Segmentation

Segment	Main Products	
Chem	Fine Chemicals	TEPIC Melamine cyanurate HI-LITE Custom Chemicals
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals

Performance Materials	SUNEVER, BARC, NHC, Multi layer process materials Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
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Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	

Pharma	LIVALO
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Trading	Nissei Corporation
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Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer
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Adjustment	R&D expenses of Advanced Materials & Planning Dept. included
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New Segmentation

Segment	Main Products	
Chem	Fine Chemicals	TEPIC Melamine cyanurate HI-LITE
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals

Performance Materials	SUNEVER, BARC, NHC, Multi layer process materials Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
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Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	

Pharma	LIVALO	
	Custom Chemicals	

Trading	Nissei Corporation
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Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer
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Adjustment	R&D expenses of Advanced Materials & Planning Dept. included
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FY2014 Sales Outlook by Segment^{(1) (2)}

(¥billion)

	FY2013 Actual			FY2014 Outlook as of Nov. 2014			Change			Change (%)			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total	1H	2H	Total
Chem	17.9	17.6	35.5	16.7	17.9	34.6	-1.2	0.3	-0.9	-7%	2%	-3%	17.2	17.8	35.0	16.7	17.8	34.5
Fine	5.3	4.6	9.9	5.3	4.9	10.2	0.0	0.3	0.3	0%	7%	3%	5.2	4.9	10.1	5.2	4.9	10.1
Basic	12.6	13.0	25.6	11.4	13.0	24.4	-1.2	0.0	-1.2	-10%	0%	-5%	12.0	12.9	24.9	11.5	12.9	24.4
Performance	20.6	22.2	42.8	24.2	24.1	48.3	3.6	1.9	5.5	18%	8%	13%	21.7	23.1	44.8	24.0	23.1	47.1
Agro	16.0	23.1	39.1	18.5	26.8	45.3	2.5	3.7	6.2	16%	16%	16%	17.2	26.3	43.5	17.6	26.3	43.9
Pharma	6.4	5.2	11.6	5.0	3.8	8.8	-1.4	-1.4	-2.8	-21%	-27%	-24%	5.1	5.0	10.1	5.0	4.8	9.8
Trading	24.5	26.2	50.7	27.3	28.3	55.6	2.8	2.1	4.9	11%	8%	10%	26.2	27.4	53.6	26.2	27.4	53.6
Others	9.7	11.7	21.4	8.5	13.0	21.5	-1.2	1.3	0.1	-13%	11%	0%	9.9	11.7	21.6	8.8	12.7	21.5
Adjustment	-18.7	-18.7	-37.4	-20.3	-22.8	-43.1	-1.6	-4.1	-5.7	9%	21%	15%	-20.3	-19.3	-39.6	-19.3	-21.1	-40.4
Total	76.4	87.3	163.7	79.9	91.1	171.0	3.5	3.8	7.3	5%	4%	4%	77.0	92.0	169.0	79.0	91.0	170.0

(1) Including inter-segment sales/transfers

(2) FY2013 are restated based on new segmentation

FY2014 OP Outlook by Segment⁽¹⁾

(¥billion)

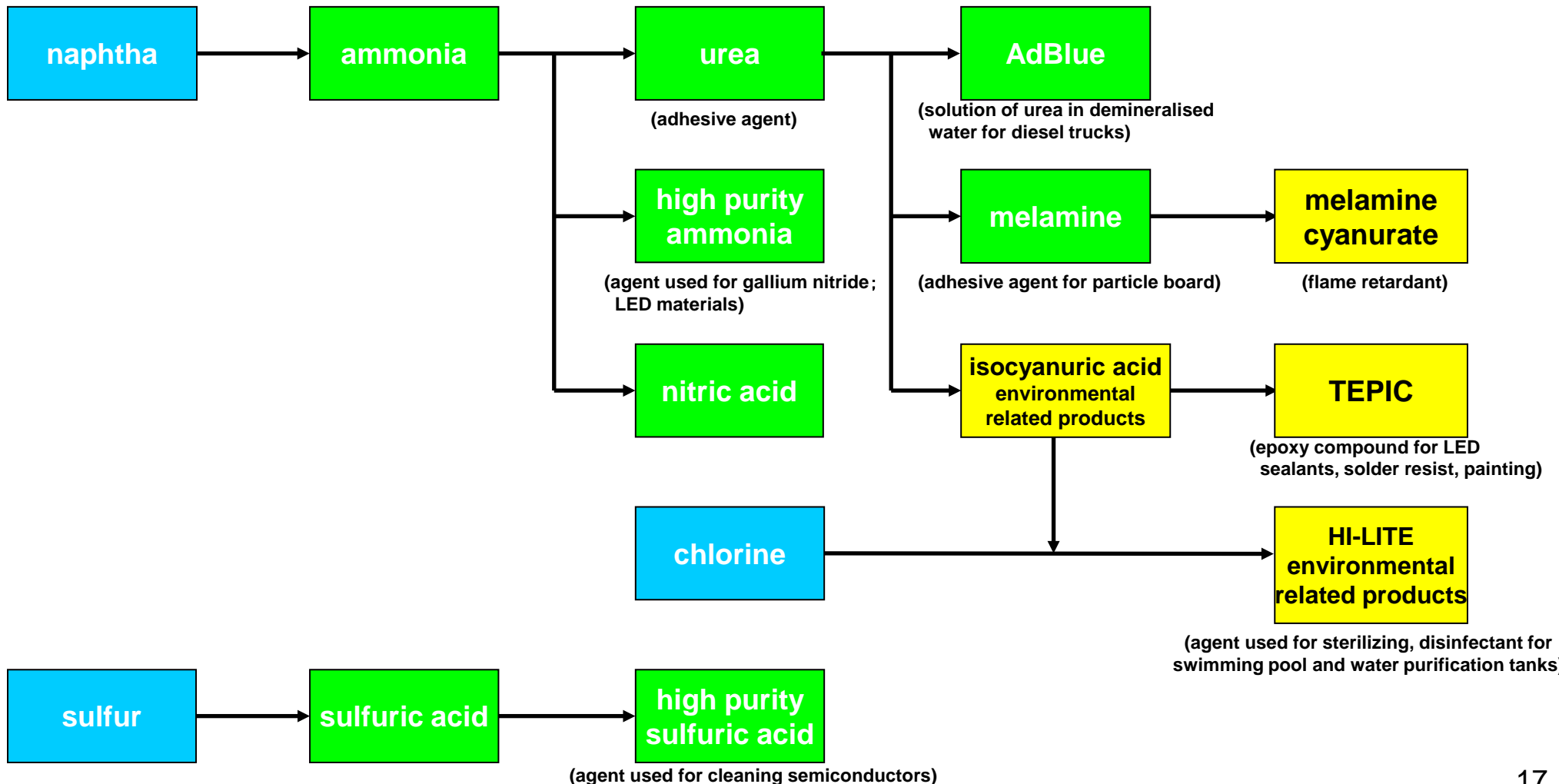
	FY2013 Actual			FY2014 Outlook as of Nov. 2014			Change			Change (%)			FY2013 Outlook as of May 2014			FY2013 Outlook as of July 2014		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total	1H	2H	Total
Chem	0.8	1.1	1.9	0.4	1.2	1.6	-0.4	0.1	-0.3	-46%	5%	-16%	0.7	1.4	2.1	0.3	1.2	1.5
Performance	4.4	4.4	8.8	6.7	4.6	11.3	2.3	0.2	2.5	53%	4%	28%	4.3	4.4	8.7	6.4	4.3	10.7
Agro	2.4	3.8	6.2	4.0	5.1	9.1	1.6	1.3	2.9	67%	34%	46%	3.1	5.0	8.1	3.3	4.7	8.0
Pharma	3.1	1.8	4.9	1.6	0.3	1.9	-1.5	-1.5	-3.0	-50%	-83%	-62%	1.7	1.8	3.5	1.5	1.6	3.1
Trading	0.7	0.8	1.5	0.9	0.9	1.8	0.2	0.1	0.3	34%	10%	21%	0.7	0.9	1.6	0.7	0.9	1.6
Others	0.2	0.6	0.8	-0.1	0.6	0.5	-0.3	0.0	-0.3	-112%	2%	-34%	-0.1	0.5	0.4	-0.1	0.5	0.4
Adjustment	-1.0	-0.9	-1.9	-1.0	-1.1	-2.1	0.0	-0.2	-0.2	-2%	29%	12%	-0.8	-1.1	-1.9	-0.8	-1.0	-1.8
Total	10.6	11.6	22.2	12.5	11.6	24.1	1.9	0.0	1.9	18%	-1%	8%	9.6	12.9	22.5	11.3	12.2	23.5

(1) FY2013 are restated based on new segmentation

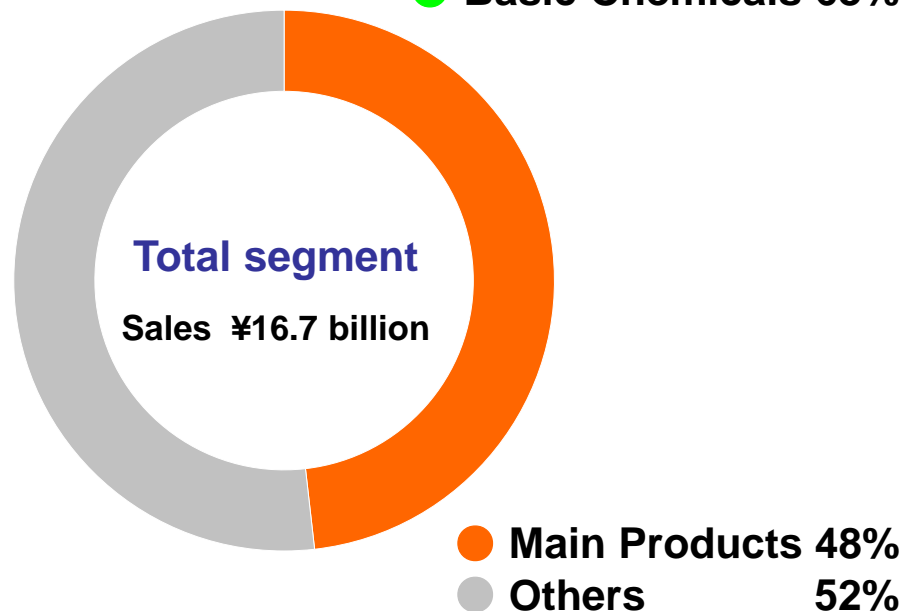
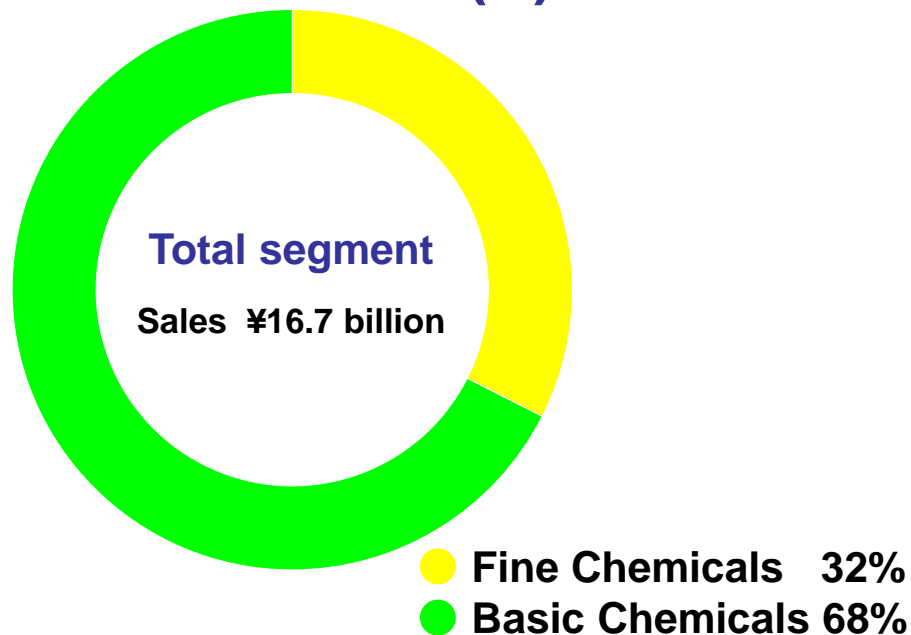
Chemicals – (A) Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2013 ammonia domestic production capacity share 11%, high percentage of self-consumption of ammonia

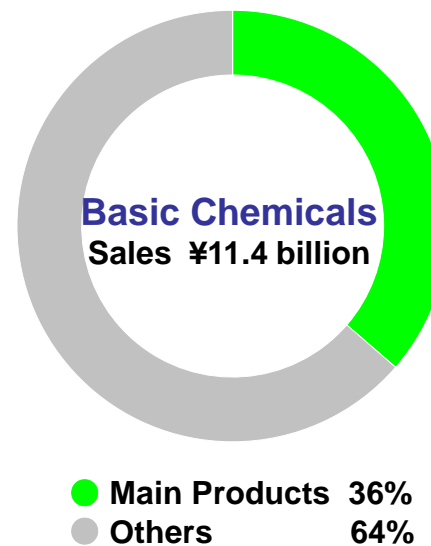
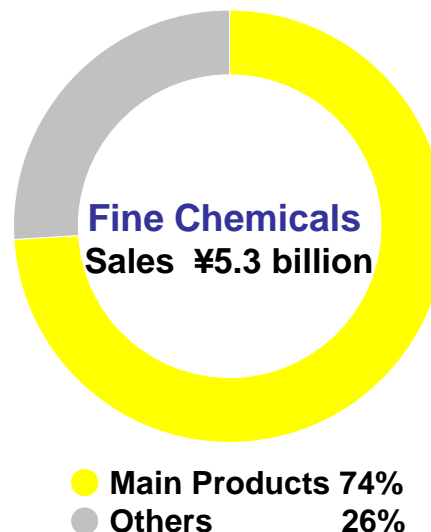
 = Purchased materials
 = Basic Chemicals
 = Fine Chemicals



Chemicals – (B) 1H FY2014 Sales Distribution



Subsegment



Main Products

- Fine Chemicals
- Basic Chemicals
- TEPIC
- Melamine
- Environmental related products
- High purity sulfuric acid
- Urea including AdBlue

Chemicals – (C) Fine Chemicals Subsegment

Main Products		Sales YOY Change								
		FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of Nov. 2014		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		-3%	+7%	+2%	-3%	+7%	+2%	-1%	+8%	+3%
TEPIC	◆ Epoxy compound for : (A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint (automobiles, electric appliances) ◆ World largest producer	+3%	+5%	+4%	+3%	+5%	+4%	+8%	+4%	+6%
Environmental related products	◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank	-12%	+0%	-7%	-14%	+0%	-8%	-15%	+0%	-9%

Two products account for 76% of total consolidated subsegment sales (FY2013)

1H FY2014 Sales Review

<vs. 1H FY2013>

- ◆ TEPIC : Due to stable yen, sales for general applications up, sales for electronic materials up
- ◆ Environmental related products : Sluggish domestic and export sales

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ TEPIC : Sales for general applications above target, sales for electronic materials in line with target
- ◆ Environmental related products : Domestic sales below target (slightly larger reverse impact by consumer tax increase), export sales above target

<vs. 1H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ TEPIC : Both applications above target
- ◆ Environmental related products : Domestic sales below target, export sales above target

2H FY2014 Sales Outlook

<vs. 2H FY2013>

- ◆ TEPIC : Sales for electronic materials up
- ◆ Environmental related products : Flat

<vs. 2H FY2014 Outlook as of May 2014 / 2H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ TEPIC : Sales for general applications below target
- ◆ Environmental related products : In line with target

Chemicals – (D) Basic Chemicals Subsegment

Main Products		Sales YOY Change								
		FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of Nov. 2014		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		-4%	-1%	-3%	-8%	-1%	-5%	-9%	-1%	-5%
Melamine	◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood	-7%	-2%	-4%	-14%	-2%	-8%	-13%	+3%	-5%
Urea including AdBlue	◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox	+7%	+10%	+8%	+0%	+10%	+5%	-3%	+8%	+3%
High purity sulfuric acid	◆ Used to clean semiconductors ◆ Largest in domestic market	+5%	+17%	+11%	-7%	+17%	+5%	-12%	+3%	-5%

Three products account for 36% of total consolidated subsegment sales(FY2013)

1H FY2014 Sales Review

<vs. 1H FY2013>

- ◆ Melamine : Domestic sales down due to weaker housing construction, export down due to continuing weak Asian market
- ◆ Urea including AdBlue : Urea down, AdBlue up
- ◆ High purity sulfuric acid : Down due to lower consumption by domestic semiconductors customers

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Melamine : Export sales below target due to continuing weak Asian market
- ◆ Urea including AdBlue : Below target
- ◆ High purity sulfuric acid : Below target due to lower consumption by domestic semiconductors customers

<vs. 1H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Melamine : Export sales above target
- ◆ Urea including AdBlue : Below target
- ◆ High purity sulfuric acid : Below target due to lower consumption by domestic semiconductors customers

2H FY2014 Sales Outlook

<vs. 2H FY2013>

- ◆ Melamine : Domestic sales up, export down
- ◆ Urea including AdBlue : Up
- ◆ High purity sulfuric acid : Up

<vs. 2H FY2014 Outlook as of May 2014 /

2H FY2014 Outlook as of July 2014 (Pro Forma) >

- ◆ Melamine : Domestic sales above target, export below target
- ◆ Urea including AdBlue : Below target
- ◆ High purity sulfuric acid : Below target

Chemicals – (E) Profit Overview

(¥billion)

	FY2013 Actual (A)			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014			FY2014 Outlook(B) as of Nov. 2014			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales(1)	17.9	17.6	35.5	17.2	17.8	35.0	16.7	17.8	34.5	16.7	17.9	34.6	-1.2	0.3	-0.9	-7%	2%	-3%
Fine	5.3	4.6	9.9	5.2	4.9	10.1	5.2	4.9	10.1	5.3	4.9	10.2	0.0	0.3	0.3	0%	7%	3%
Basic	12.6	13.0	25.6	12.0	12.9	24.9	11.5	12.9	24.4	11.4	13.0	24.4	-1.2	0.0	-1.2	-10%	0%	-5%
OP(1)	0.8	1.1	1.9	0.7	1.4	2.1	0.3	1.2	1.5	0.4	1.2	1.6	-0.4	0.1	-0.3	-46%	5%	-16%

(1) FY2013 are restated based on new segmentation

1H FY2014 Review

2H FY2014 Outlook

(Fine Chemicals) <vs. 1H FY2013>

- ◆ TEPIC sales up, environmental related products sales down
- ◆ Sales flat, OP flat

(Basic Chemicals)

- ◆ Sales of melamine, urea including AdBlue, high purity sulfuric acid down
- ◆ Low margin trading transactions cut
- ◆ Melamine inventory devaluation losses
- ◆ Sales down, OP down

(Total Segment)

- ◆ Sales down ¥1.2billion, OP down ¥0.4billion

<vs. 1H FY2014 Outlook as of May 2014 >

(Fine Chemicals)

- ◆ TEPIC sales above target, environmental related products sales below target
- ◆ Sales above target, OP in line with target

(Basic Chemicals)

- ◆ Sales of melamine, urea including AdBlue, high purity sulfuric acid below target
- ◆ Melamine inventory devaluation losses
- ◆ Sales below target, OP below target

(Total Segment)

- ◆ Sales down ¥0.5billion, OP down ¥0.3billion

<vs. 1H FY2014 Outlook as of July 2014 >

(Fine Chemicals)

- ◆ TEPIC sales above target, environmental related products sales below target
- ◆ Sales above target, OP above target

(Basic Chemicals)

- ◆ Sales of melamine above target, urea including AdBlue, high purity sulfuric acid below target
- ◆ Sales below target, OP in line with target

(Total Segment)

- ◆ Sales in line with target, OP up ¥0.1billion

(Fine Chemicals) <vs. 2H FY2013>

- ◆ TEPIC, other products sales up, environmental related products sales flat
- ◆ Sales up, OP up

(Basic Chemicals)

- ◆ Sales of melamine, urea including AdBlue, high purity sulfuric acid up
- ◆ Low margin trading transactions cut
- ◆ Sales flat, OP flat

(Total Segment)

- ◆ Sales up ¥0.3 billion, OP up ¥0.1 billion

<vs. 2H FY2014 Outlook as of May 2014 >

(Fine Chemicals)

- ◆ TEPIC, environmental related products sales in line with target, other products sales above target
- ◆ Sales in line with target, OP below target

(Basic Chemicals)

- ◆ Sales of melamine above target, urea including AdBlue below target, high purity sulfuric acid below target
- ◆ Sales above target, OP below target

(Total Segment)

- ◆ Sales up ¥0.1billion, OP down ¥0.2billion

<vs. 2H FY2014 Outlook as of July 2014 >

(Fine Chemicals)

- ◆ TEPIC, environmental related products sales in line with target, other products sales above target
- ◆ Sales in line with target, OP in line with target

(Basic Chemicals)

- ◆ Sales of melamine above target, urea including AdBlue below target, high purity sulfuric acid below target
- ◆ Sales above target, OP in line with target

(Total Segment)

- ◆ Sales up ¥0.1billion, OP in line with target

(Blank)

Performance Materials – (A) Display Materials

Main Products	Sales YOY Change								
	FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of November 2014		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total SUNEVER	+2%	+8%	+5%	+20%	+8%	+14%	+22%	+16%	+19%
Other Display Materials (1)	+2%	+110%	+45%	-51%	+110%	+13%	-58%	-31%	-48%
Total Display Materials	+2%	+10%	+6%	+18%	+10%	+14%	+19%	+15%	+17%

(1) NHC(protective coating for touch panels), 3D TV materials, Elsource (hole injection layer materials for OLED),etc

1H FY 2014 Sales Review

<vs. 1H FY2013>

- ◆ Total Display Materials up 19%
- ◆ IPS/FFS up, VA flat, TN down, 3D TV materials down
- ◆ Photo-alignment IPS SUNEVER for smartphone launched

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Total Display Materials above target
- ◆ IPS/FFS and VA above target, TN in line with target, 3D TV below target

<vs. 1H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Total Display Materials above target
- ◆ IPS/FFS, VA, TN above target, 3D TV in line with target

2H FY 2014 Sales Outlook

<vs. 2H FY2013>

- ◆ Total Display Materials up 15%
- ◆ IPS/FFS up, VA down, TN down, 3D TV materials down

<vs. 2H FY2014 Outlook as of May 2014 / 2H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Total Display Materials above target
- ◆ IPS/FFS and VA above target, TN in line with target, 3D TV materials below target

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

Display Materials

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

Semiconductors Materials

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

Performance Materials – (B) Semiconductors Materials

Main Products	Sales YOY Change								
	FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of November 2014		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
BARC	+5%	+1%	+3%	+19%	+1%	+10%	+17%	+6%	+11%
KrF	+1%	+6%	+3%	+17%	+6%	+12%	+15%	+8%	+11%
ArF	+8%	-1%	+3%	+20%	-1%	+9%	+19%	+5%	+12%
Other Semiconductors Materials (1)	+16%	+5%	+10%	+50%	+5%	+26%	+42%	+20%	+30%
Total Semiconductors Materials	+7%	+2%	+4%	+26%	+2%	+13%	+23%	+10%	+16%

(1) Multi layer process materials, microlens, etc

1H FY2014 Sales Review

<vs. 1H FY2013>

- ◆ Total Semiconductors Materials sales up 23%, BARC up (KrF up, ArF up)
- ◆ Other Semiconductors Materials (including multi layer process materials) sales up

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Total Semiconductors Materials above target, BARC above target (KrF above target, ArF above target)
- ◆ Other Semiconductors Materials (including multi layer process materials) above target

<vs. 1H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Total Semiconductors Materials below target, BARC below target (KrF below target, ArF below target)
- ◆ Other Semiconductors Materials (including multi layer process materials) below target

2H FY2014 Sales Outlook

<vs. 2H FY2013>

- ◆ Total Semiconductors Materials sales up 10%, BARC up (KrF up, ArF up)
- ◆ Other Semiconductors Materials (including multi layer process materials) sales up

<vs. 2H FY2014 Outlook as of May 2014 / 2H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Total Semiconductors Materials above target, BARC above target (KrF above target, ArF above target)
- ◆ Other Semiconductors Materials (including multi layer process materials) above target

◆ 100% Acquisition of Thin Materials AG (TMAT)

Full Acquisition Date: June 28, 2013

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

Purpose of Acquisition: To adopt TMAT's advanced processing and material development technologies (temporary bonding materials) for 3D packaging for semiconductors

Performance Materials – (C-1) Inorganic Materials

High performance
inorganic colloidal materials

SNOWTEX

colloidal silica
(water dispersed
silica sol)

Alumina sol

water dispersed
alumina hydrate sol

SUNCOLLOID

high-refractive index
metal oxide sol

Celnax

zinc antimonate sol

Organo sol

organic solvent dispersed
silica sol

< SNOWTEX Characteristics >

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

< SNOWTEX Key functions >

Polishing

Coating

Binding

< Application Examples >

•Polishing

silicon wafer,
aluminum/glass
hard discs

•Coating for

special steel sheet,
plastic optical
lenses,
metals, plastic films

•Binding

catalyst carrier,
ceramics

Performance Materials – (C-2) SNOWTEX, Organo sol

Main Products		Sales YOY Change (1)								
		FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of Nov. 2014		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
SNOWTEX	◆ Mainly Used for : (A) polishing materials (silicon wafer, aluminum and glass hard disk), (B) non-polishing materials (NOx reduction catalyst, automobile catalyst, special steel sheet)	-1%	+8%	+4%	+2%	+8%	+5%	+3%	+7%	+5%
Organo sol	◆ Used for : hard coating materials, electronic information materials	+1%	+9%	+5%	-7%	+9%	+1%	-10%	+2%	-4%

(1) Non-consolidated basis

1H FY2014 Sales Review

<vs. 1H FY2013>

- ◆ SNOWTEX : Sales for polishing materials up, sales for non-polishing materials down
- ◆ Organo sol : Down due to sluggish demand

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ SNOWTEX : Sales for polishing materials above target, sales for non-polishing materials below target
- ◆ Organo sol : Below target due to sluggish demand

<vs. 1H FY2014 Outlook (Pro Forma) as of July 2014>

- ◆ SNOWTEX : Sales for polishing materials above target, sales for non-polishing materials below target
- ◆ Organo sol : Below target

2H FY2014 Sales Outlook

<vs. 2H FY2013>

- ◆ SNOWTEX : Sales for polishing materials up, sales for non-polishing materials up
- ◆ Organo sol : Up

<vs. 2H FY2014 Outlook as of May 2014 / 2H FY2014 Outlook (Pro Forma) as of July 2014>

- ◆ SNOWTEX : Sales for polishing materials above target, sales for non-polishing materials below target
- ◆ Organo sol : Below target

Performance Materials – (D) Profit Overview

(¥billion)

	FY2013 Actual(A)			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014			FY2014 Outlook(B) as of Nov. 2014			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	20.6	22.2	42.8	21.7	23.1	44.8	24.0	23.1	47.1	24.2	24.1	48.3	3.6	1.9	5.5	18%	8%	13%
OP	4.4	4.4	8.8	4.3	4.4	8.7	6.4	4.3	10.7	6.7	4.6	11.3	2.3	0.2	2.5	53%	4%	28%

1H FY2014 Review

<vs. 1H FY2013>

- ◆ SUNEVER sales up
- ◆ Total Semiconductors Materials sales up
- ◆ Inorganic Materials sales up
- ◆ Sales up ¥3.6billion, OP up ¥2.3billion

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Total Display Materials sales above target
- ◆ Total Semiconductors Materials sales above target
- ◆ Inorganic Materials sales in line with target
- ◆ Fixed cost below target
- ◆ Sales up 2.5billion, OP up ¥2.4billion

<vs. 1H FY2014 Outlook as of July 2014 >

- ◆ Total Display Materials sales above target
- ◆ Total Semiconductors Materials sales below target
- ◆ Inorganic Materials sales above target
- ◆ Sales up ¥0.2billion, OP up ¥0.3billion

2H FY2014 Outlook

<vs. 2H FY2013>

- ◆ Total Display Materials sales up
- ◆ Total Semiconductors Materials sales up
- ◆ Inorganic Materials sales down
- ◆ Sales up ¥1.9billion, OP up ¥0.2billion

<vs. 2H FY2014 Outlook as of May 2014>

- ◆ Total Display Materials sales above target
- ◆ Total Semiconductors Materials sales above target
- ◆ Inorganic Materials sales below target
- ◆ Fixed cost above target
- ◆ Sales up ¥1.0billion, OP up ¥0.2billion

<vs. 2H FY2014 Outlook as of July 2014 >

- ◆ Total Display Materials sales above target
- ◆ Total Semiconductors Materials sales above target
- ◆ Inorganic Materials sales below target
- ◆ Fixed cost above target
- ◆ Sales up ¥1.0billion, OP up ¥0.3billion

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Agrochemicals – (A) Sales Distribution (Before Discount)

Non-consolidated Sales YOY Change

Main Products (in order of FY2013 sales amount)		FY2013 /FY2012	FY2014E /FY2013 (as of November 2014)
ROUNDUP	herbicide		
SIRIUS	herbicide		
PERMIT	herbicide		
TARGA	herbicide		
ALTAR (NC-620)	herbicide		
PULSOR (THIFLUZAMIDE)	fungicide		
STARMITE	miticide		
LEIMAY	fungicide		
SANMITE	insecticide		

YOY Change

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

Agrochemicals – (B) Overview

- ◆ Stable profit center
- ◆ High growth expected from ALTAIR (new paddy rice herbicide), ROUNDUP and FLURALANER
- ◆ Strengthening product portfolio by: in-house developed products, acquired products, licensed-in products

(launch)	(products)
FY2002	ROUNDUP (herbicide, acquired domestic business from Monsanto)
FY2008	LEIMAY (fungicide, in-house) STARMITE (miticide, in-house)
FY2009	PULSOR (THIFLUZAMIDE) (fungicide, acquired from Dow) PREVATHON (insecticide, licensed from DuPont)
FY2010	AVH (herbicide, licensed from ZEN-NOH, Bayer and Hokko) ROUNDUP AL for general household market, growing steadily
FY2011	ALTAIR(NC-620) (paddy rice herbicide, in-house) launched in Korea
FY2012	ALTAIR(NC-620) (paddy rice herbicide, in-house) launched in Japan
FY2013	Shipment of fluralaner to MSD started in July as scheduled
FY2014	BRAVECTO launched in several countries in EU in April and in the USA in May
FY2014-16	Fruits/vegetables/paddy rice insecticide (licensed-in product), Fruits/vegetables/tea insecticide (licensed-in product), Fruits/vegetables fungicide (licensed-in product)
FY2019-	Insecticide (in-house)

- ◆ Full reconstruction of Biological Research Laboratories FY2010-2015 (FY2010-14 ¥5.2 billion capex) (Main completed facilities) Fully automated chemical compounds library, weather simulation room, agro research lab.
- ◆ Acquired 3% share of IHARABRÁS (leading agro company in Brazil) in September 2011 to strengthen R&D and marketing capabilities in the rapidly growing market in Latin America
- ◆ Established a subsidiary in China in April 2014 for sales support and technical/marketing services
- ◆ Export sales account for 27% of FY2014 Outlook non-consolidated segment sales (Asia:32%, Europe,Africa:50%, North/Central/South America:18%)

Agrochemicals – (C) Fluralaner

◆ BRAVECTO

*Developed by MSD Animal Health, the global animal health business unit of Merck

*Veterinary medical product (chewable tablets) providing unique immediate and persistent tick and flea killing activity for dogs for 12 weeks, longer than currently available once-monthly commercialized products

*Launched by MSD in Germany, Spain, Italy, France, the Netherlands and the United Kingdom in April 2014, and in the USA in May 2014 (at present, launched in more than 30 countries)

*MSD endeavors to obtain marketing authorization in the other countries including Japan

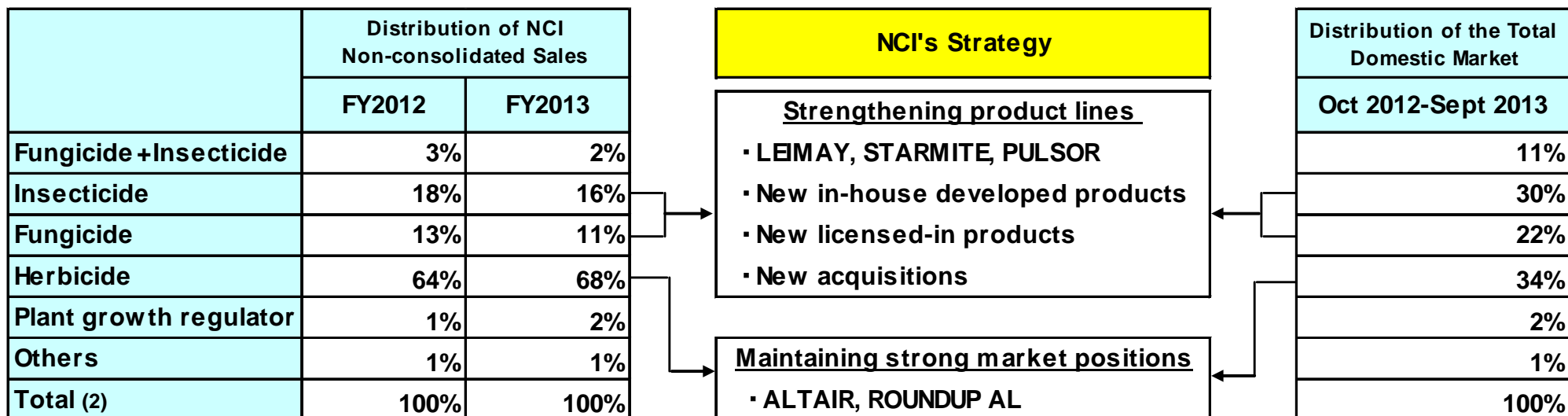
◆ Fluralaner

Invented by NCI and supplied to MSD as the active substance of BRAVECTO

Agrochemicals – (D) Non-Consolidated Segment Sales (Before Discount)

	Non-consolidated Sales YOY Change								
	FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of November 2014		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
ROUNDUP	+14%	+13%	+14%	+27%	+13%	+19%	+30%	+13%	+20%
Except ROUNDUP⁽¹⁾	+7%	+8%	+8%	+6%	+8%	+7%	+7%	+12%	+10%
Total Segment	+9%	+9%	+9%	+11%	+9%	+10%	+13%	+13%	+13%

(1) Including Fluralaner



(2) Excluding Fluralaner

Agrochemicals – (E) Profit Overview

(¥billion)

	FY2013 Actual(A)			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014			FY2014 Outlook(B) as of Nov. 2014			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	16.0	23.1	39.1	17.2	26.3	43.5	17.6	26.3	43.9	18.5	26.8	45.3	2.5	3.7	6.2	16%	16%	16%
OP	2.4	3.8	6.2	3.1	5.0	8.1	3.3	4.7	8.0	4.0	5.1	9.1	1.6	1.3	2.9	67%	34%	46%

1H FY 2014 Review

<vs. 1H FY2013>

- ◆ ROUNDUP, PERMIT(export), ALTAIR, fluralaner sales up, SIRIUS, TARGA(export) sales down
- ◆ Reverse impact by consumer tax increase effective April1, 2014 (advanced orders in March)
- ◆ Sales up ¥2.5billion, OP up ¥1.6billion

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ ROUNDUP, PULSOR, fluralaner sales above target, SIRIUS, TARGA(export) sales below target
- ◆ Reverse impact by consumer tax increase
- ◆ Sales up ¥1.3billion, OP up ¥0.9billion

<vs. 1H FY2014 Outlook as of July 2014>

- ◆ ROUNDUP, fluralaner sales above target, PERMIT(export) sales below target
- ◆ Sales up ¥0.9billion, OP up ¥0.7billion

2H FY 2014 Outlook

<vs. 2H FY2013>

- ◆ ROUNDUP, TARGA(export), ALTAIR, PULSOR, fluralaner sales up, SIRIUS sales down
- ◆ Reverse impact by consumer tax increase
- ◆ R&D expenses up
- ◆ Sales up ¥3.7billion, OP up ¥1.3billion

<vs. 2H FY2014 Outlook as of May 2014>

- ◆ PERMIT(export), TARGA(export), ALTAIR, fluralaner sales above target
- ◆ R&D expenses above target
- ◆ Sales up ¥0.5billion, OP up ¥0.1billion

<vs. 2H FY2014 Outlook as of July 2014>

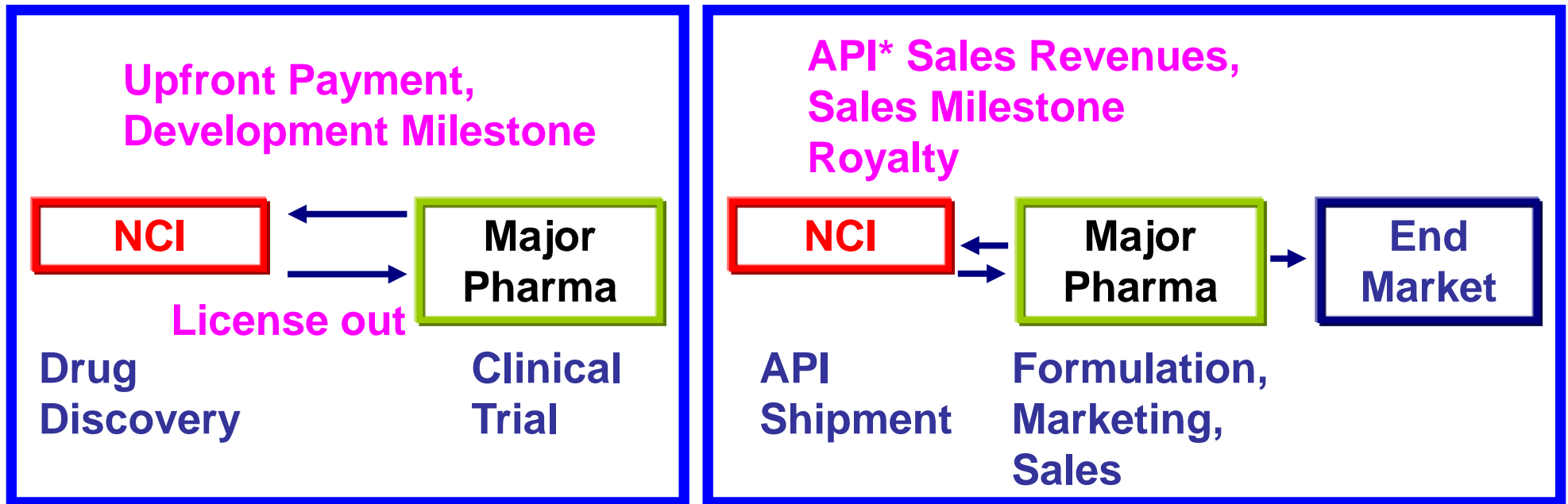
- ◆ PERMIT(export), TARGA(export), ALTAIR, fluralaner sales above target
- ◆ R&D expenses above target
- ◆ Sales up ¥0.5billion, OP up ¥0.4billion

(Blank)

Pharmaceuticals – (A) NCI Business Model

- ◆ Unique ethical pharma business model without sales force

< Before Launch > → < After Launch >



API*: Active Pharmaceutical Ingredient

Pharmaceuticals – (B) LIVALO (Anti-Cholesterol Drug)

	FY2012 Actual	FY2013 Actual	FY2014 Outlook as of May 2014	FY2014 Outlook as of July 2014 (Pro Forma)	FY2014 Outlook as of Nov. 2014
Domestic End Market Sales (NHI drug price basis, ¥billion)	51.5	52.6	-	-	-
Domestic Market Share (1)	20%	21%	-	-	-
Our Domestic and Export API Sales (¥billion)	10.4	10.2	8.2	7.9	6.8

(1) Excluding generic

Our Domestic and Export API Sales YOY Change								
FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of November 2014		
1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
-28%	-9%	-19%	-29%	-15%	-23%	-29%	-38%	-33%

FY2013 Domestic Market Share	
Crestor	38%
Lipitor	24%
LIVALO	21%
Mevalotin	10%

- ◆ Domestic market share 21% in FY2013
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2015)
- ◆ January - February 2013, crystalline form patents approved
- ◆ August 2013, domestic compound patent expired
- ◆ FY2014 NHI drug price cut about 5%
- ◆ Filed complaints against 14 entities which are generic drug marketing authorization holders of LIVALO, seeking injunctive relief to cease and desist from infringing upon the crystalline form patent rights owned by NCI

Pharmaceuticals – (C) LIVALO World Wide Strategy

Country/Region	Developing Status	Launch (schedule)	Business Partner
Japan	Launched	Sep 2003	Kowa, Daiichi-Sankyo (1)
Korea	Launched	Jul 2005	JW Pharmaceutical
Thailand	Launched	Jan 2008	Biopharm Chemicals
China	Launched	Jul 2009	Kowa (Shanghai) Pharma
USA	Launched	Jun 2010	Kowa(KPA), Eli Lilly (2)
Lebanon	Launched	Mar 2011	Algorithm
Spain	Launched	May 2011	Recordati, Esteve
Portugal	Launched	Jun 2011	Recordati, Delta
Mexico	Launched	Feb 2012	Eli Lilly
Indonesia	Launched	May 2012	Tanabe Indonesia
Taiwan	Launched	Jun 2012	Taiwan Tanabe
Switzerland	Launched	Jan 2013	Eli Lilly
Ukraine	Launched	May 2013	Recordati
Brazil	Launched	Sep 2013	Eli Lilly
France	Approved	2014	Recordati
Italy	Approved	2014	Recordati

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

(1) As of July 2013, Kowa was the sole partner (2) As of July 2013, Kowa (KPA) was the sole partner

Pharmaceuticals – (D) Pipeline

Product	Market		Developing Status	Licensee	Expected Market Size
NT-702	Japan	Intermittent claudication	•Discontinuation of Phase II	<ul style="list-style-type: none"> •Terminated the license agreement with Taisho •Under consideration regarding seeking new partners 	¥20-30 billion
		Asthma			¥20 billion
NTC-801	Japan	Arrhythmia	<ul style="list-style-type: none"> •Discontinuation of clinical development •No further plans for development at this time 	<ul style="list-style-type: none"> •Under discussion regarding termination of the license agreement with Teijin and BMS 	1 million patients (2015)
	World wide (except Japan)				8.4 million patients (2015)
NIP-022	World wide	Thrombocytopenia	<ul style="list-style-type: none"> •Completion of Phase I (healthy individuals) •Discontinuation of a clinical trial (cancer patients with CIT *) 	<ul style="list-style-type: none"> •Terminated the license agreement with Ono as of April 30, 2014 •Under consideration regarding seeking new partners 	0.35million cancer patients with CIT* (2015 in Japan)

CIT *: chemotherapy induced thrombocytopenia

- ◆ Strengthening R&D activities for innovative medicines by using the strategic chemical library, the state-of-the-art evaluation technology and precise organic synthesis technology
- ◆ Focusing on five research fields of the drug discovery (metabolic disease, cardiovascular disease, immunological disease, hematopoiesis and pain)

Pharmaceuticals – (E) Custom Chemicals

Sales YOY Change											
FY2013 Actual			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014 (Pro Forma)			FY2014 Outlook as of November 2014		
1H	2H	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
-29%	-52%	-41%	+37%	+55%	+45%	+42%	+55%	+48%	+44%	+45%	+44%

- ◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediaries from pre-clinical to commercial production stages
- ◆ October 2013, Custom Chemicals shifted from Chemicals Segment to Pharma Segment to seek synergy of the two divisions (organic synthesis technology, R&D/manufacturing/quality control systems)
- ◆ Focusing on obtaining new contracts from FY2015

1H FY2014 Sales Review

<vs. 1H FY2013>

- ◆ Up due to a new contract and volume gain on existing contracts

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Above target due to a new contract

<vs. 1H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Above target due to a new contract

2H FY2014 Sales Outlook

<vs. 2H FY2013>

- ◆ Up due to volume gain on existing contracts

<vs. 2H FY2014 Outlook as of May 2014 / 2H FY2014 Outlook as of July 2014 (Pro Forma)>

- ◆ Below target due to volume decrease on existing contracts

Pharmaceuticals – (F) Profit Overview

(¥billion)

	FY2013 Actual(A)			FY2014 Outlook as of May 2014			FY2014 Outlook as of July 2014			FY2014 Outlook(B) as of Nov. 2014			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales(1)	6.4	5.2	11.6	5.1	5.0	10.1	5.0	4.8	9.8	5.0	3.8	8.8	-1.4	-1.4	-2.8	-21%	-27%	-24%
OP(1)	3.1	1.8	4.9	1.7	1.8	3.5	1.5	1.6	3.1	1.6	0.3	1.9	-1.5	-1.5	-3.0	-50%	-83%	-62%

(1) FY2013 are restated based on new segmentation

1H FY 2014 Review

<vs. 1H FY2013>

- ◆ Domestic LIVALO sales down due to generic products launched in December 2013
- ◆ FY2014 NHI drug price cut about 5%
- ◆ Export LIVALO sales up mainly in Korea
- ◆ Custom Chemicals sales and OP up
- ◆ Sales down ¥1.4billion, OP down ¥1.5billion

<vs. 1H FY2014 Outlook as of May 2014>

- ◆ Domestic LIVALO sales below target reflecting greater-than-expected generic impact
- ◆ Export LIVALO above target
- ◆ Custom Chemicals sales and OP above target
- ◆ Sales down ¥0.1billion, OP down ¥0.1billion

<vs. 1H FY2014 Outlook as of July 2014>

- ◆ Domestic LIVALO sales below target reflecting greater-than-expected generic impact
- ◆ Export LIVALO above target
- ◆ Custom Chemicals sales above target, OP in line with target
- ◆ Sales in line with target, OP up ¥0.1billion

2H FY 2014 Outlook

<vs. 2H FY2013>

- ◆ Domestic LIVALO sales down, export LIVALO sales up
- ◆ Custom Chemicals sales and OP up
- ◆ LIVALO USA ANDA related legal cost
- ◆ Sales down ¥1.4billion, OP down ¥1.5billion

<vs. 2H FY2014 Outlook as of May 2014>

- ◆ Domestic LIVALO sales below target reflecting greater-than-expected generic impact
- ◆ Export LIVALO above target
- ◆ Custom Chemicals sales below target, OP in line with target
- ◆ LIVALO USA ANDA related legal cost
- ◆ Sales down ¥1.2billion, OP down ¥1.5billion

<vs. 2H FY2014 Outlook as of July 2014>

- ◆ Domestic LIVALO sales below target reflecting greater-than-expected generic impact
- ◆ Export LIVALO in line with target
- ◆ Custom Chemicals sales below target, OP in line with target
- ◆ LIVALO USA ANDA related legal cost
- ◆ Sales down ¥1.0billion, OP down ¥1.3billion

Capex/Depreciation/R&D by Segment

(¥billion)

	Capex (2)					Depreciation (3)					R&D expenses					% of Sales
	2010	2011	2012	2013	2014E	2010	2011	2012	2013	2014E	2010	2011	2012	2013	2014E	
Chem (1)	1.9	1.6	0.9	1.2	0.9	3.4	2.5	1.6	1.4	1.4	0.8	0.8	0.4	0.4	0.4	1.1%
Performance M.	3.7	2.2	3.1	4.3	5.8	4.1	4.3	3.7	3.2	3.7	5.6	6.2	6.5	6.3	6.8	15.2%
Agro	0.4	2.1	2.5	1.3	1.4	1.9	1.8	1.9	2.0	1.9	2.6	2.8	3.0	3.5	3.5	8.0%
Pharma (1)	2.4	1.7	0.8	0.6	0.6	0.3	1.0	1.5	1.2	0.9	2.4	2.5	2.6	2.9	2.8	27.7%
Trading	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	-
Others	1.0	0.6	0.8	1.4	1.0	0.6	0.8	0.7	0.6	0.6	1.2	1.3	1.2	1.1	1.6	-
Total	9.6	8.3	8.1	8.8	9.8	10.4	10.5	9.5	8.5	8.6	12.6	13.6	13.7	14.2	15.1	
	R&D expenses/Sales										8.2%	9.2%	8.9%	8.7%	8.8%	

(1) New segmentation from October 2013
 2010-2011 : Former segmentation
 2012-2014 : New segmentation

(2) Capex
 Actual - Acceptance basis
 Outlook - Production commencement basis

(3) Depreciation Method
 SUNEVER, BARC- 4 year declining balance method
 (50.0% of initial capex amount in the 1st year)
 Other products - 8 year declining balance method
 (25.0% of initial capex amount in the 1st year)

R&D Personnel (Sept. 2014) –A	403
Total Professionals (Sept. 2014) –B	1,028
A/B	39%

※Parent company only

◆ New Material Research Laboratory completed in October 2014 (capex ¥3.4 billion)

- Aiming to integrate all resources and activities for new material research, which have been conducted in separate laboratories.

FY2013 and 2014 Main Capex Items (Approval Basis)

(¥billion)

FY2013 Actual		FY2014 E	
Chemical Research Lab. (Instruments)	0.8	Electronic Materials Lab. (Instruments)	0.9
Electronic Materials Lab. (Instruments)	0.8	Chemical Research Lab. (Instruments)	0.8
Biological Research Lab.	0.5	SNOWTEX	0.7
		NCK Research Lab. (Instruments)	0.4

Financial Strategy

(1) Share Repurchases to Enhance ROE

- ◆ Started repurchase of shares in 2006
- ◆ Repurchased ¥30.5 billion, 26.1 million shares (13.9% of shares issued) in total
- ◆ **Cancelled all repurchased shares (FY2006-2013)**

Record of Share Repurchases FY2006 - 2013

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Shares repurchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	3,263	26,056
Repurchase costs (¥billion)	4.7	5.0	8.0	0.0	2.8	0.0	5.0	5.0	30.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	6,000	4,000	26,635
Shares issued at FY end (million shares)	185	181	174	174	171	171	165	161	
Treasury share at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	522	
Dividend (¥billion)	3.7	3.6	3.8	4.2	4.1	4.1	4.3	4.9	
Dividend (¥/Share)	20	20	22	24	24	24	26	30	
Total payout ratio (dividend + share repurchases) (%)	61	56	117	32	53	37	67	59	

◆ FY2014 share repurchase program

- Total number of shares to be repurchased :3.3 million shares
- Total amount :¥ 6.0 billion
- Repurchasing period :From November 6, 2014 to January 30, 2015

(2) Cash Management Policy

Aiming to control cash balance around the level of

= Minimum required level

+ 1/3 of annual scheduled long-term borrowings repayment

+ 1/3 of short-term borrowings outstanding + Contingent risk reserves

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Mid-Term Business Plan Vista 2015 Stage II (FY2013-2015) Announced in May 2013- (A) Financial Targets

(¥billion)

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

(¥billion)

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

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

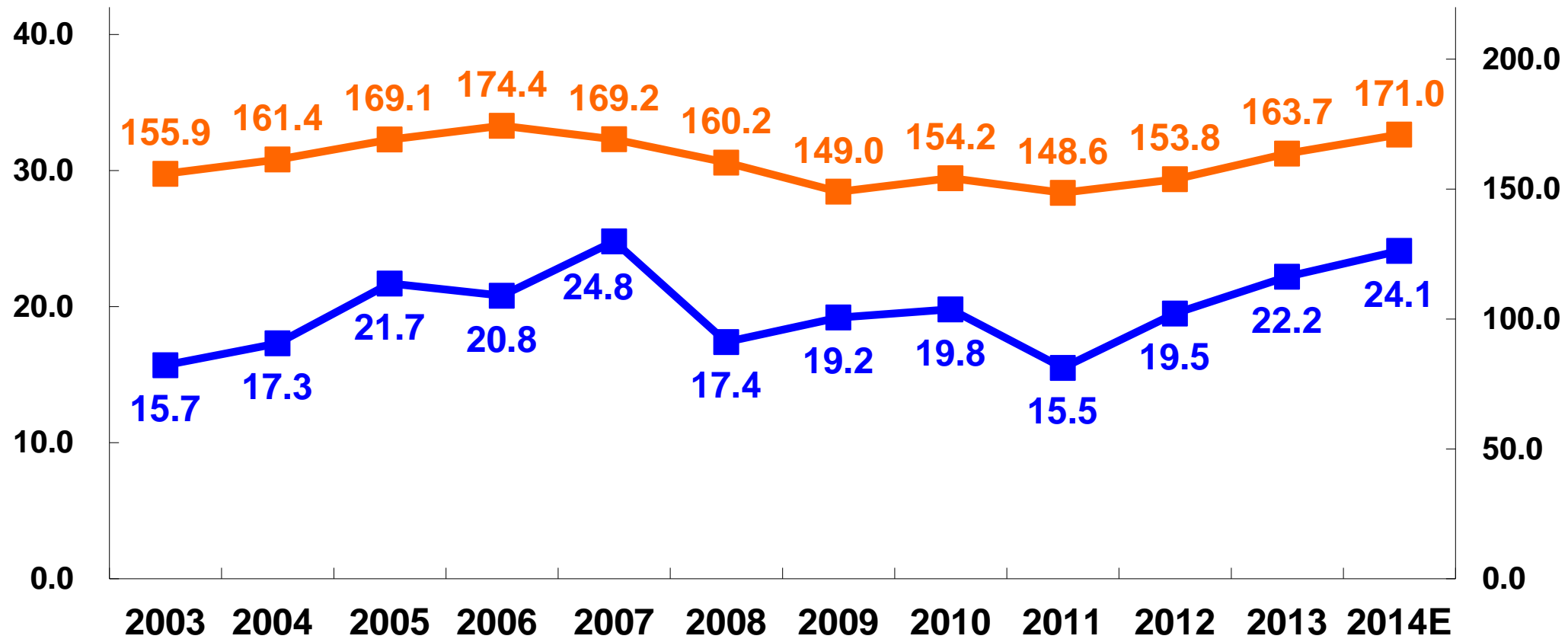
Mid-Term Business Plan Vista 2015 Stage II (FY2013-2015) Announced in May 2013- (B) Financial Indicators

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

Long-term Financial Performance Trend

OP
(¥billion)

Sales
(¥billion)



Long Term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8	163.7	171.0
Operating Profit	15.7	17.3	21.7	20.8	24.8	17.4	19.2	19.8	15.5	19.5	22.2	24.1
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5	23.7	24.8
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9	16.7	17.8
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9	29.0	30.8	32.7
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%	13.6%	14.1%
ROE (1)	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%	12.7%	12.4%
EPS(¥)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74	102.11	110.92
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	30
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%	27.0%
Share Repurchases	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0
Total Assets	172.6	169.4	183.2	177.3	172.7	172.3	181.4	183.4	190.1	199.2	208.0	-
Net Assets	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6	126.7	137.8	-
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9	30.8	-
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	-
D/E Ratio (2)	78.0%	53.7%	38.5%	23.2%	27.2%	37.1%	26.0%	16.9%	9.3%	5.0%	4.1%	-
Equity Ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%	65.7%	-
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	8.1	8.8	9.8
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5	8.5	8.6
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	15.1
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%	8.8%

(1) FY2014E excluding effects of FY2014 share repurchase

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

Sales and Operating Profit by Segment (New segmentation)

		FY2012		FY2013		FY2014E	
Sales (A)	Chemicals	34.5	22.4%	35.5	21.7%	34.6	20.2%
	Performance M.	37.4	24.3%	42.8	26.1%	48.3	28.2%
	Agro	35.4	23.0%	39.1	23.9%	45.3	26.5%
	Pharma	12.7	8.3%	11.6	7.1%	8.8	5.1%
	Trading	46.6	30.3%	50.7	31.0%	55.6	32.5%
	Others	21.2	13.8%	21.4	13.1%	21.5	12.6%
	Adjustment	-34.0	-22.1%	-37.4	-22.8%	-43.1	-25.2%
	Total	153.8	100%	163.7	100%	171.0	100%

OP (B)	Chemicals	1.9	9.7%	1.9	8.6%	1.6	6.6%
	Performance M.	7.2	36.9%	8.8	39.6%	11.3	46.9%
	Agro	5.0	25.6%	6.2	27.9%	9.1	37.8%
	Pharma	5.2	26.7%	4.9	22.1%	1.9	7.9%
	Trading	1.4	7.2%	1.5	6.8%	1.8	7.5%
	Others	0.7	3.6%	0.8	3.6%	0.5	2.1%
	Adjustment	-1.9	-9.7%	-1.9	-8.6%	-2.1	-8.7%
	Total	19.5	100%	22.2	100%	24.1	100%

OP Margin (C) = (B)/(A)	Chemicals	5.5%	5.4%	4.6%
	Performance M.	19.3%	20.6%	23.4%
	Agro	14.1%	15.9%	20.1%
	Pharma	40.9%	42.2%	21.6%
	Trading	3.0%	3.0%	3.2%
	Others	3.3%	3.7%	2.3%
	Total	12.7%	13.6%	14.1%

(¥billion)

		FY2012		FY2013	
Segment Assets (D)	Chemicals	27.0	13.6%	25.8	12.4%
	Performance M.	34.3	17.2%	38.0	18.3%
	Agro	46.7	23.4%	48.6	23.4%
	Pharma	14.6	7.3%	12.7	6.1%
	Trading	17.3	8.7%	18.1	8.7%
	Others	9.2	4.6%	9.1	4.4%
	Common Assets	50.1	25.2%	55.7	26.8%
	Total	199.2	100%	208.0	100%

ROA (E) = (B)/(D)	Chemicals	7.0%	7.4%
	Performance M.	20.9%	23.2%
	Agro	10.8%	12.8%
	Pharma	36.0%	38.9%
	Trading	7.8%	8.3%
	Others	7.5%	8.3%
	Total	9.8%	10.7%

Sales and Operating Profit by Segment (Former segmentation)

		FY2010		FY2011		FY2012	
Sales (A)	Chemicals	38.1	24.7%	36.9	24.8%	36.6	23.8%
	Performance M.	38.0	24.6%	34.0	22.9%	37.4	24.3%
	Agro	34.4	22.3%	33.8	22.7%	35.4	23.0%
	Pharma	9.6	6.2%	10.0	6.7%	10.6	6.9%
	Trading	44.1	28.6%	44.8	30.1%	46.6	30.3%
	Others	27.0	17.5%	20.0	13.5%	21.2	13.8%
	Adjustment	-37.0	-24.0%	-30.9	-20.8%	-34.0	-22.1%
	Total	154.2	100%	148.6	100%	153.8	100%

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

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

(¥billion)

		FY2011		FY2012	
Segment Assets (D)	Chemicals	31.6	16.6%	30.3	15.2%
	Performance M.	31.5	16.6%	34.3	17.2%
	Agro	44.6	23.5%	46.7	23.4%
	Pharma	12.4	6.5%	11.3	5.7%
	Trading	16.5	8.7%	17.3	8.7%
	Others	9.5	5.0%	9.2	4.6%
	Common Assets	44.0	23.1%	50.1	25.2%
	Total	190.1	100%	199.2	100%

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

FY2011- 2Q FY2013 Quarterly Sales by Segment ⁽¹⁾

(Former Segmentation)

(¥billion)

	FY2011 Actual					FY2012 Actual					FY2013 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	9.4	9.2	9.0	9.3	36.9	9.1	8.8	8.9	9.8	36.6	9.5	9.1
Fine	3.0	2.9	2.4	2.6	10.9	2.9	2.7	2.4	3.2	11.2	2.9	3.1
Basic	6.4	6.3	6.6	6.7	26.0	6.2	6.1	6.5	6.6	25.4	6.6	6.0
Performance Materials	8.7	8.3	8.6	8.4	34.0	9.5	9.3	9.5	9.1	37.4	10.3	10.3
Agro	7.1	5.4	3.7	17.6	33.8	8.3	5.1	4.6	17.4	35.4	9.9	6.1
Pharma	2.9	2.3	2.4	2.4	10.0	3.5	1.8	3.1	2.2	10.6	2.9	2.8
Trading	11.6	10.9	10.8	11.5	44.8	11.9	10.8	12.5	11.4	46.6	12.7	11.8
Others	4.6	4.7	4.3	6.4	20.0	3.9	6.3	4.6	6.4	21.2	4.6	5.1
Adjustment	-7.7	-7.6	-7.3	-8.3	-30.9	-7.8	-9.4	-8.6	-8.2	-34.0	-9.7	-9.0
Total	36.6	33.2	31.5	47.3	148.6	38.4	32.7	34.6	48.1	153.8	40.2	36.2

(1) Including inter-segment sales/transfers

FY2011- 2Q FY2013 Quarterly OP by Segment

(Former Segmentation)

(¥billion)

	FY2011 Actual					FY2012 Actual					FY2013 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	1.0	-0.2	0.6	0.2	1.6	0.8	0.0	0.4	0.7	1.9	0.8	0.0
Performance Materials	1.7	0.9	1.1	1.1	4.8	2.1	2.0	1.6	1.5	7.2	2.1	2.3
Agro	1.2	-0.4	-1.5	5.1	4.4	1.6	-0.3	-1.1	4.8	5.0	2.3	0.1
Pharma	1.4	1.2	1.0	1.0	4.6	1.9	0.7	1.6	1.0	5.2	1.6	1.5
Trading	0.4	0.3	0.3	0.3	1.3	0.4	0.3	0.4	0.3	1.4	0.4	0.3
Others	0.0	0.0	-0.1	0.4	0.3	-0.1	0.2	0.1	0.5	0.7	0.1	0.1
Adjustment	-0.5	-0.4	-0.4	-0.2	-1.5	-0.4	-0.6	-0.5	-0.4	-1.9	-0.6	-0.4
Total	5.2	1.4	1.0	7.9	15.5	6.3	2.3	2.5	8.4	19.5	6.7	3.9
OP Margin	14.3%	4.0%	3.4%	16.6%	10.4%	16.5%	6.8%	7.5%	17.4%	12.7%	16.7%	10.6%

FY2012- 2Q FY2014 Quarterly Sales by Segment (1)

(New Segmentation)

(¥billion)

	FY2012 Actual					FY2013 Actual					FY2014 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	8.6	8.3	8.7	8.9	34.5	9.3	8.6	8.8	8.8	35.5	8.5	8.2
Fine	2.4	2.2	2.2	2.3	9.1	2.7	2.6	2.3	2.3	9.9	2.7	2.6
Basic	6.2	6.1	6.5	6.6	25.4	6.6	6.0	6.5	6.5	25.6	5.8	5.6
Performance Materials	9.5	9.3	9.5	9.1	37.4	10.3	10.3	11.1	11.1	42.8	11.8	12.4
Agro	8.3	5.1	4.6	17.4	35.4	9.9	6.1	5.5	17.6	39.1	12.3	6.2
Pharma	4.0	2.3	3.3	3.1	12.7	3.1	3.3	3.0	2.2	11.6	2.5	2.5
Trading	11.9	10.8	12.5	11.4	46.6	12.7	11.8	12.8	13.4	50.7	14.1	13.2
Others	3.9	6.3	4.6	6.4	21.2	4.6	5.1	4.9	6.8	21.4	3.8	4.7
Adjustment	-7.8	-9.4	-8.6	-8.2	-34.0	-9.7	-9.0	-8.9	-9.8	-37.4	-10.5	-9.8
Total	38.4	32.7	34.6	48.1	153.8	40.2	36.2	37.2	50.1	163.7	42.5	37.4

(1) Including inter-segment sales/transfers

FY2012- 2Q FY2014 Quarterly OP by Segment

(New Segmentation)

(¥billion)

	FY2012 Actual					FY2013 Actual					FY2014 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	0.8	0.0	0.4	0.7	1.9	1.0	-0.2	0.6	0.5	1.9	1.0	-0.6
Performance Materials	2.1	2.0	1.6	1.5	7.2	2.1	2.3	2.3	2.1	8.8	3.3	3.4
Agro	1.6	-0.3	-1.1	4.8	5.0	2.3	0.1	-0.8	4.6	6.2	4.0	0.0
Pharma	1.9	0.7	1.6	1.0	5.2	1.4	1.7	1.4	0.4	4.9	0.8	0.8
Trading	0.4	0.3	0.4	0.3	1.4	0.4	0.3	0.4	0.4	1.5	0.5	0.4
Others	-0.1	0.2	0.1	0.5	0.7	0.1	0.1	0.1	0.5	0.8	-0.1	0.0
Adjustment	-0.4	-0.6	-0.5	-0.4	-1.9	-0.6	-0.4	-0.5	-0.4	-1.9	-0.6	-0.4
Total	6.3	2.3	2.5	8.4	19.5	6.7	3.9	3.5	8.1	22.2	8.9	3.6
OP Margin	16.5%	6.8%	7.5%	17.4%	12.7%	16.7%	10.6%	9.3%	16.4%	13.6%	21.0%	9.6%

1H FY2014 Sales by Segment (1) (2)

(¥billion)

	1H FY2013 Actual			1H FY2014 Outlook as of May 2014	1H FY2014 Outlook as of July 2014			1H FY2014 Actual		
	1Q	2Q	Total	Total	1Q	2Q	Total	1Q	2Q	Total
Chem	9.3	8.6	17.9	17.2	8.5	8.2	16.7	8.5	8.2	16.7
Fine	2.7	2.6	5.3	5.2	2.7	2.5	5.2	2.7	2.6	5.3
Basic	6.6	6.0	12.6	12.0	5.8	5.7	11.5	5.8	5.6	11.4
Performance Materials	10.3	10.3	20.6	21.7	11.8	12.2	24.0	11.8	12.4	24.2
Agro	9.9	6.1	16.0	17.2	12.3	5.3	17.6	12.3	6.2	18.5
Pharma	3.1	3.3	6.4	5.1	2.5	2.5	5.0	2.5	2.5	5.0
Trading	12.7	11.8	24.5	26.2	14.1	12.1	26.2	14.1	13.2	27.3
Others	4.6	5.1	9.7	9.9	3.8	5.0	8.8	3.8	4.7	8.5
Adjustment	-9.7	-9.0	-18.7	-20.3	-10.5	-8.8	-19.3	-10.5	-9.8	-20.3
Total	40.2	36.2	76.4	77.0	42.5	36.5	79.0	42.5	37.4	79.9

(1) Including inter-segment sales/transfers

(2) FY2013 are restated based on new segmentation

1H FY2014 OP by Segment (1)

(¥billion)

	1H FY2013 Actual			1H FY2014 Outlook as of May 2014	1H FY2014 Outlook as of July 2014			1H FY2014 Actual		
	1Q	2Q	Total	Total	1Q	2Q	Total	1Q	2Q	Total
Chem	1.0	-0.2	0.8	0.7	1.0	-0.7	0.3	1.0	-0.6	0.4
Performance Materials	2.1	2.3	4.4	4.3	3.3	3.1	6.4	3.3	3.4	6.7
Agro	2.3	0.1	2.4	3.1	4.0	-0.7	3.3	4.0	0.0	4.0
Pharma	1.4	1.7	3.1	1.7	0.8	0.7	1.5	0.8	0.8	1.6
Trading	0.4	0.3	0.7	0.7	0.5	0.2	0.7	0.5	0.4	0.9
Others	0.1	0.1	0.2	-0.1	-0.1	0.0	-0.1	-0.1	0.0	-0.1
Adjustment	-0.6	-0.4	-1.0	-0.8	-0.6	-0.2	-0.8	-0.6	-0.4	-1.0
Total	6.7	3.9	10.6	9.6	8.9	2.4	11.3	8.9	3.6	12.5

(1) FY2013 are restated based on new segmentation

Main Products by Segment (New Segmentation)

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

Forward Looking Statements

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

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