

August 2, 2019

Presentation for Investors

1Q FY2019 (April 1- June 30, 2019) Financial Results

Presented by Junichi Miyazaki,
Director, Senior Executive Vice President & CFO,
Head of Finance & Accounting Department

Translation of presentation materials for the conference call held on August 2, 2019 in Tokyo



Nissan Chemical
CORPORATION

**Institutional
Investor**
2019 ALL-JAPAN EXECUTIVE TEAM
MOST HONORED COMPANY

1Q FY2019 Actual

	FY2018	FY2019	Change	(¥billion)
	Actual	Actual		FY2019 Outlook as of May 2019
	1Q	1Q	1Q	1Q
Sales	50.9	48.7	-2.2	49.7
Operating Profit	10.7	9.3	-1.4	8.7
Non-Operating Income/Expenses	1.2	0.7	-0.5	1.1
Ordinary Income	11.9	10.0	-1.9	9.8
Extraordinary Income/Loss (1)	0.0	0.9	+0.9	0.0
Net Income (2)	8.8	7.8	-1.0	7.2
EBITDA (3)	13.1	11.6	-1.5	-
EPS (¥/share)	59.25	53.13	-6.12	-
OP Margin	21.0%	19.2%	-1.8%	17.5%
FX Rate (¥/\$)	109	110		110
Naphtha (¥/kl) (4)	48,700	45,400		43,000
Comprehensive Income	7.5	5.9		

(1) 1Q FY2019 Actual: Gain on sales of investment securities ¥0.9 billion (see p3)

(2) Net Income = Profit Attributable to Owners of Parent

(3) EBITDA = Operating Profit + Depreciation (4) Based on Trade Statistics of Japan Ministry of Finance

- ◆ OP down ¥1.4 billion (1Q FY2019 ¥9.3 billion vs. 1Q FY2018 ¥10.7 billion)
However, ¥0.6 billion above target (¥8.7 billion) announced on May 15, 2019
- ◆ Net Income(2) down ¥1.0 billion (1Q FY2019 ¥7.8 billion vs. 1Q FY2018 ¥8.8 billion)
However, ¥0.6 billion above target (¥7.2 billion) announced on May 15, 2019
(In addition to OP exceeding target by ¥0.6 billion,
Gain on sales of Investment securities ¥0.9 billion (Extraordinary Income) was recognized)

1Q FY2019 Review

<vs. 1Q FY2018>

(Sales) ◆ **Down** ¥2.2 billion (-4%)

(+) Pharmaceuticals up ¥0.1 billion
(LIVALO up, Custom Chemicals down)
(-) Chemicals down ¥0.3 billion
(Basic Chem down ¥0.2 billion, Fine Chem down ¥0.1 billion)
Performance Materials down ¥0.5 billion
(DP up, Semis down, Inorganic down)
Agrochemicals down ¥1.7 billion
(GRACIA up, Fluralaner down, TARGA down, LEIMAY down)
Trading down ¥0.3 billion

(OP) ◆ **Down** ¥1.4 billion (-13%)

(+) Pharmaceuticals up ¥0.1 billion
(LIVALO and Custom Chemicals up)
(±) Performance Materials flat
(DP up, Semis down, Inorganic down)
(-) Chemicals down ¥0.7 billion
(Basic Chem down, Fine Chem down)
Agrochemicals down ¥0.6 billion
Trading down ¥0.1 billion

**(Non-Operating Income/
Expenses)** ◆ **Down** ¥0.5 billion

Foreign exchange gains/losses down ¥0.3 billion
Gain on sales of Investment securities down ¥0.3 billion

(Ordinary Income) ◆ **Down** ¥1.9 billion (-16%)

**(Extraordinary Income/
Loss)** ◆ **Up** ¥0.9 billion

Gain on sales of Investment securities up ¥0.9 billion
(Sold 8 listed companies stocks, sales amount ¥1.7 billion)

(Net Income) ◆ **Down** ¥1.0 billion (-11%)

(EPS) ◆ **Down** ¥6.12 (-10%)

1Q FY2019 Review

<vs. 1Q FY2019 Outlook as of May 2019>

(Sales) ◆Down ¥1.0 billion

(+) Agrochemicals up ¥0.6 billion
(Sales above target: Fluralaner, GRACIA)
(Sales below target: TARGA, LEIMAY)
Pharmaceuticals up ¥0.3 billion
(LIVALO above target, Custom Chemicals below target)

(-) Chemicals down ¥1.0 billion
(Basic Chemicals and Fine Chemicals below target)
Performance Materials down ¥0.8 billion
(DP in line with target, Semis below target, Inorganic below target)
Trading down ¥1.3 billion

(OP) ◆Up ¥0.6 billion

(+) Performance Materials up ¥0.3 billion
(DP above target, Semis in line with target, Inorganic above target)
Agrochemicals up ¥0.9 billion
Pharmaceuticals up ¥0.3 billion
(LIVALO and Custom Chemicals above target)

(-) Chemicals down ¥0.5 billion
(Basic Chemicals and Fine Chemicals below target)
Trading down ¥0.1 billion

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

Foreign exchange gains/losses down ¥0.2 billion
Gain on sales of Investment securities down ¥0.3 billion
(recognized in Extraordinary Income)

(Ordinary Income) ◆Up ¥0.2 billion

**(Extraordinary Income/
Loss) ◆Up ¥0.9 billion**

Gain on sales of Investment securities up ¥0.9 billion
(Sold 8 listed companies stocks, sales amount ¥1.7 billion)

(Net Income) ◆Up ¥0.6 billion

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

(¥billion)

	FY2018 Actual	FY2019 Actual	FY2018 Actual	FY2019 Outlook as of May 2019
	1Q	1Q	Full Year	Full Year
Non-Operating Income	1.34	0.90	3.13	2.75
Interest income, dividend income	0.32	0.34	1.01	0.81
Equity in earnings of affiliates	0.32	0.29	0.97	0.93
Foreign exchange gains	0.16	0.00	0.00	0.00
Others	0.54	0.27	1.15	1.01
Non-Operating Expenses	0.11	0.26	1.12	1.30
Interest expense	0.04	0.04	0.11	0.17
Loss on disposal of non-current assets	0.05	0.03	0.63	0.68
Foreign exchange losses	0.00	0.17	0.02	0.00
Others	0.02	0.02	0.36	0.45
Extraordinary Income	0.00	0.85	-	-
Extraordinary Loss	0.00	0.00	-	-
Comprehensive Income	7.50	5.90	26.20	-
Net income	8.83	7.84	29.37	-
Net income attributable to non-controlling interests	0.06	0.03	0.14	-
Valuation difference on available-for-sale securities	-1.31	-1.38	-3.02	-
Foreign currency translation adjustment	-0.06	-0.58	-0.16	-

Cash Flows

(¥billion)

	1Q FY2018 Actual	1Q FY2019 Actual	FY2018 Actual	FY2019 Outlook as of May 2019
	1Q	1Q	Full Year	Full Year
CF from operating activities	6.4	10.0	32.1	36.8
Income before income taxes & non-controlling interests	11.9	10.8	39.1	40.2
Depreciation & Amortization	2.4	2.3	10.9	10.7
Income taxes paid	-4.8	-4.0	-9.4	-9.0
Working capital, others	-3.1	0.9	-8.5	-5.1
CF from investing activities	-4.0	-0.6	-10.9	-12.5
Purchase of PPE	-2.5	-2.3	-9.7	-12.2
Purchase and sales of investment securities	-0.5	1.7	-0.5	0.0
Others	-1.0	0.0	-0.7	-0.3
CF from financing activities	-26.1	-29.8	-22.6	-23.4
Total payout to shareholders (dividend & share repurchase)	-10.4	-10.0	-20.3	-21.4
Borrowings	-15.6	-17.5	-2.1	-2.0
Others	-0.1	-2.3	-0.2	0.0
Effect of exchange rate change on cash & cash equivalents	0.1	-0.2	-0.1	0.0
Change in cash & cash equivalents	-23.6	-20.6	-1.5	0.9
Cash & cash equivalents at end of period	14.1	15.6	36.2	37.1

(Blank)

FY2018-1Q FY2019 Quarterly Sales by Segment ⁽¹⁾

(¥billion)

	FY2018 Actual					FY2019 Actual	
	1Q (A)	2Q	3Q	4Q	Total	1Q (B)	Change (B)-(A)
Chem	8.7	8.3	9.6	9.1	35.7	8.4	-0.3
Fine Chemicals	2.7	2.4	2.6	2.7	10.4	2.6	-0.1
Basic Chemicals	6.0	5.9	7.0	6.4	25.3	5.8	-0.2
Performance Materials	15.6	16.4	16.6	14.4	63.0	15.1	-0.5
Agro	16.4	12.3	5.9	28.1	62.7	14.7	-1.7
Pharma	1.8	1.9	1.9	1.4	7.0	1.9	+0.1
Trading	17.8	15.6	18.1	16.4	67.9	17.5	-0.3
Others	4.6	5.9	7.2	6.9	24.6	4.9	+0.3
Adjustment	-14.0	-13.3	-15.4	-13.3	-56.0	-13.8	+0.2
Total	50.9	47.1	43.9	63.0	204.9	48.7	-2.2

FY2019 Outlook as of May 2019				
1Q	2Q	1H	2H	Total
9.4	9.5	18.9	20.1	39.0
2.9	3.0	5.9	6.0	11.9
6.5	6.5	13.0	14.1	27.1
15.9	15.8	31.7	32.6	64.3
14.1	14.2	28.3	35.9	64.2
1.6	1.8	3.4	3.6	7.0
18.8	15.2	34.0	33.8	67.8
5.0	4.9	9.9	13.4	23.3
-15.1	-12.1	-27.2	-27.9	-55.1
49.7	49.3	99.0	111.5	210.5

(1) Including inter-segment sales/transfers

FY2018-1Q FY2019 Quarterly OP by Segment

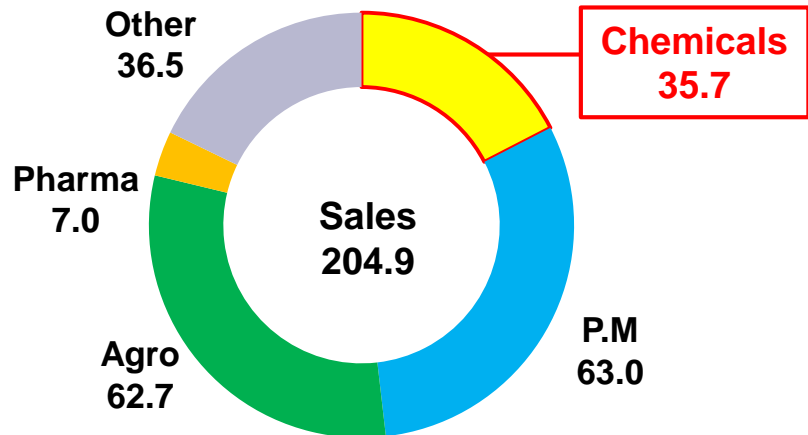
(¥billion)

	FY2018 Actual					FY2019 Actual	
	1Q (A)	2Q	3Q	4Q	Total	1Q (B)	Change (B)-(A)
Chem	1.6	-0.4	1.0	0.8	3.0	0.9	-0.7
Performance Materials	3.9	4.2	4.3	2.6	15.0	3.9	-0.0
Agro	5.1	4.7	-1.3	9.9	18.4	4.5	-0.6
Pharma	0.3	0.3	0.4	0.0	1.0	0.4	+0.1
Trading	0.6	0.5	0.6	0.3	2.0	0.5	-0.1
Others	0.1	0.1	0.2	0.5	0.9	0.1	-0.0
Adjustment	-0.9	-0.7	-0.8	-0.8	-3.2	-1.0	-0.1
Total	10.7	8.7	4.4	13.3	37.1	9.3	-1.4

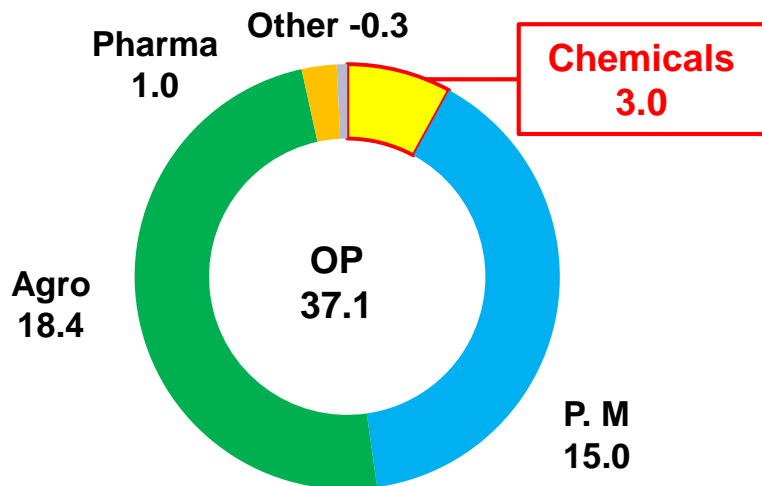
FY2019 Outlook as of May 2019				
1Q	2Q	1H	2H	Total
1.4	-0.1	1.3	2.7	4.0
3.6	3.8	7.4	7.6	15.0
3.6	5.6	9.2	9.8	19.0
0.1	0.4	0.5	0.5	1.0
0.6	0.4	1.0	1.0	2.0
0.0	0.0	0.0	0.6	0.6
-0.6	-1.0	-1.6	-1.3	-2.9
8.7	9.1	17.8	20.9	38.7

Chemicals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

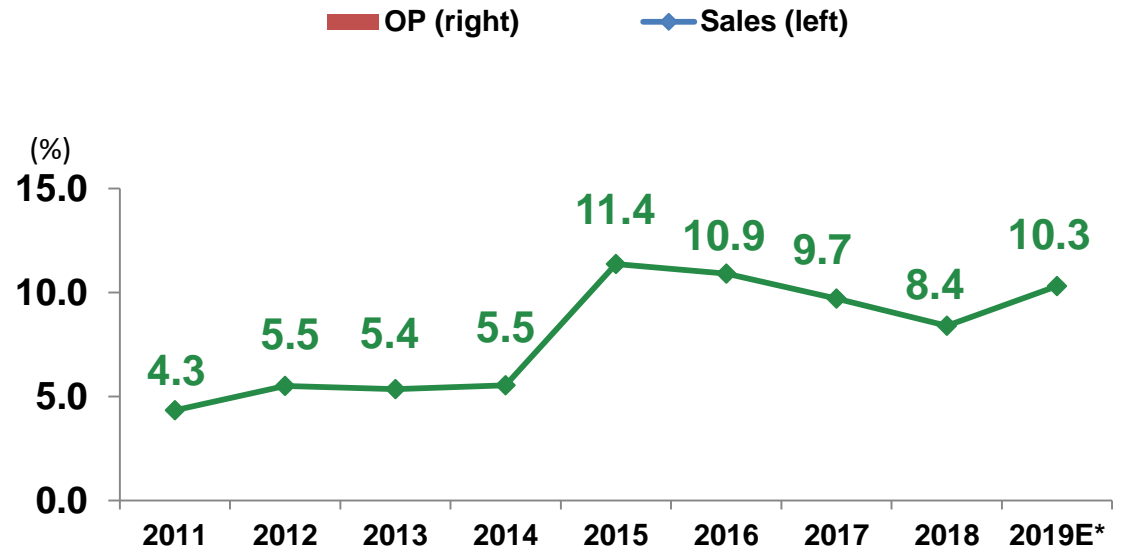
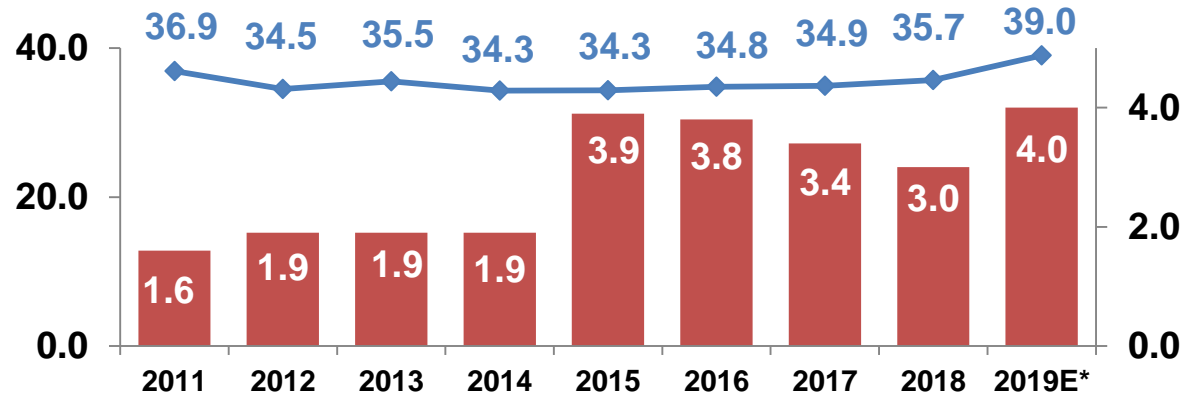


2. FY2018 OP Distribution (¥billion)



3. Recent Financial Performance (¥billion)

*announced in May 2019



—◆— OP margin

Chemicals – (B) 1Q FY2019 Sales & Profit Review

Sales Review

*Plan as of May 2019 (undisclosed)

Fine Chem	1Q FY2019 Actual	
	YOY	vs. Plan*
TEPIC	-4%	Below
Environmental related products	-3%	Below
Total Fine Chem	-4%	Below

Two products account for 85% of total consolidated subsegment sales (1Q FY2019)

Basic Chem	1Q FY2019 Actual	
	YOY	vs. Plan*
Melamine	-2%	Below
Urea including AdBlue	+7%	In Line
High purity sulfuric acid	-5%	Below
Total Basic Chem	-3%	Below

Three products account for 40% of total consolidated subsegment sales (1Q FY2019)

1Q FY2019 Review

<vs. 1Q FY2018>

(Fine Chemicals)

- ◆ Sales of TEPIC for general applications up and electronic materials down
- ◆ Sales of environmental related products down
- ◆ Inventory adjustment cost up
- ◆ Sales down, OP down

(Basic Chemicals)

- ◆ Sales of melamine down (cheap Chinese export up, price down)
- ◆ Sales of urea including AdBlue up
- ◆ Sales of high purity sulfuric acid down
- ◆ Fixed cost up, Inventory adjustment cost up
- ◆ Sales down, OP down

(Total Segment)

- ◆ Sales down ¥0.3 billion, OP down ¥0.7 billion

Profit Review

(¥billion)

	FY2018 Actual (A)	FY2019 Actual (B)	Change (B) - (A)	FY2019 Outlook as of May 2019
	1Q	1Q	1Q	1Q
Sales	8.7	8.4	-0.3	9.4
Fine	2.7	2.6	-0.1	2.9
Basic	6.0	5.8	-0.2	6.5
OP	1.6	0.9	-0.7	1.4

1Q FY2019 Review

<vs. 1Q FY2019 Outlook as of May 2019>

(Fine Chemicals)

- ◆ Sales of TEPIC for general applications above target and for electronic materials below target
- ◆ Sales of environmental related products below target
- ◆ Sales below target, OP below target

(Basic Chemicals)

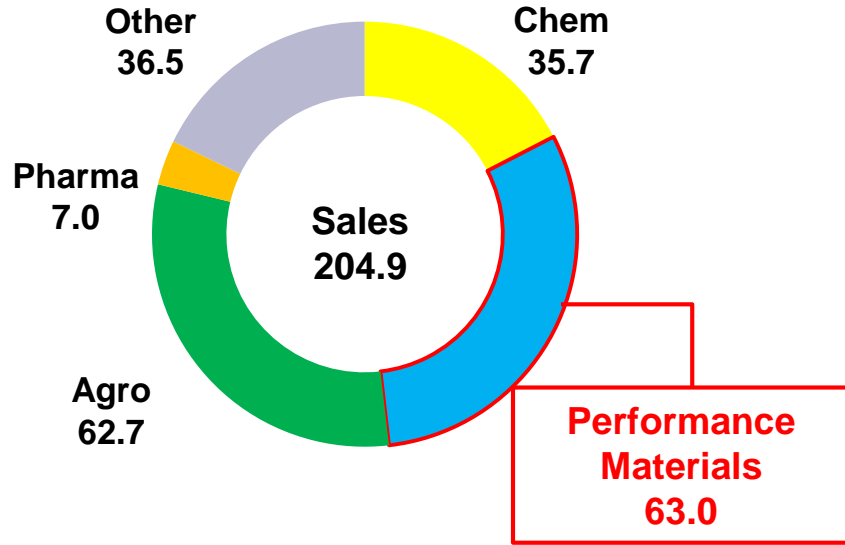
- ◆ Sales of melamine below target (cheap Chinese export up, price down)
- ◆ Sales of high purity sulfuric acid below target
- ◆ Sales of urea including AdBlue in line with target
- ◆ Sales below target, OP below target

(Total Segment)

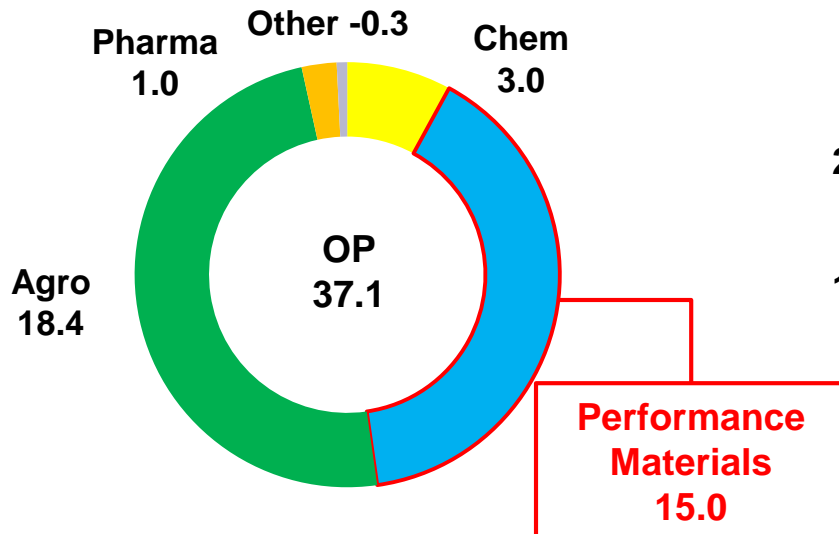
- ◆ Sales down ¥1.0 billion, OP down ¥0.5 billion

Performance Materials – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

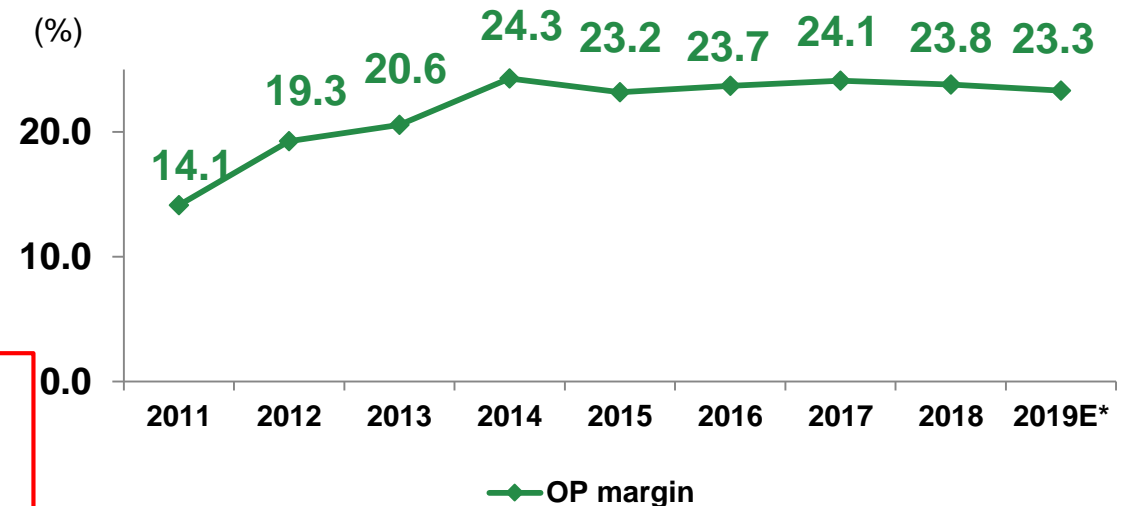
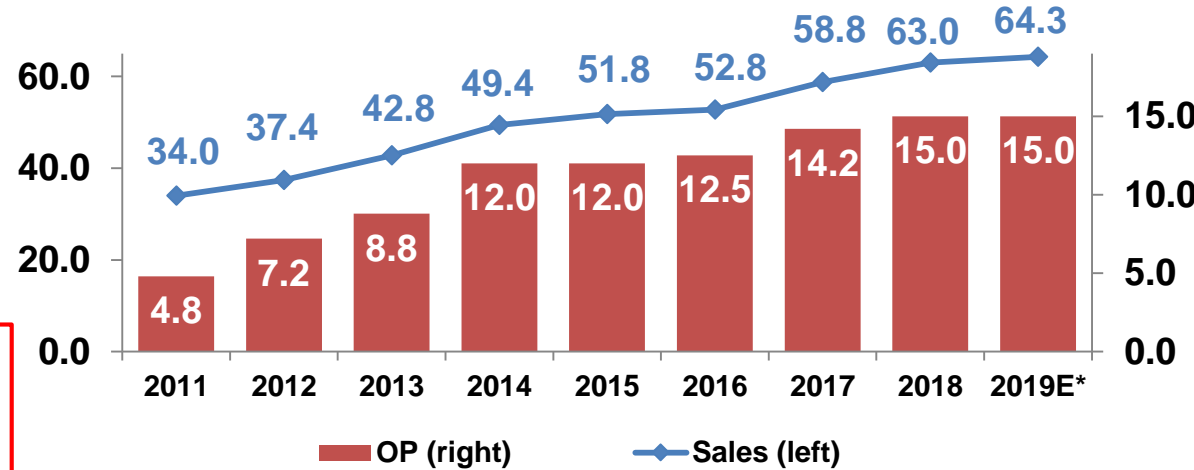


2. FY2018 OP Distribution (¥billion)



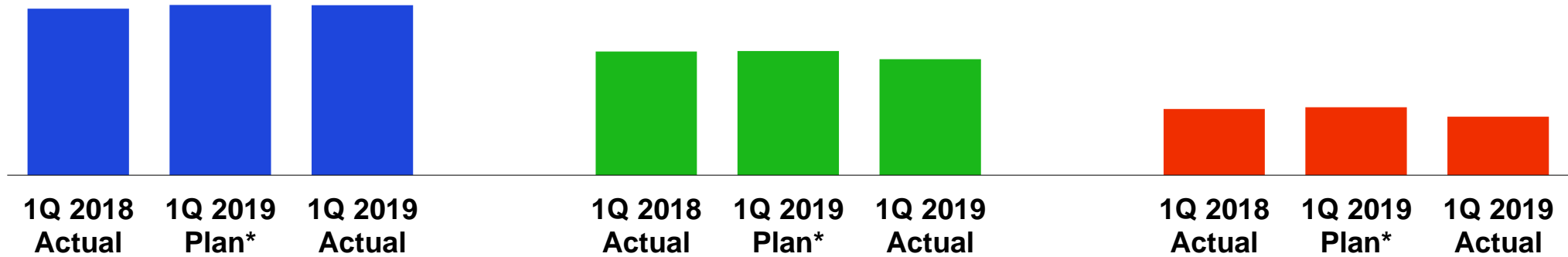
3. Recent Financial Performance (¥billion)

*announced in May 2019



Performance Materials – (B) 1Q FY2019 Sales Distribution

*Plan as of May 2019 (undisclosed)



< Display Materials >

SUNEVER : LCD alignment coating

< Semis Materials >

ARC® : Bottom anti-reflective coating for semis

Multi layer process materials (OptiStack®)

< Inorganic >

SNOWTEX : Silica sol for:
 polishing materials (silicon wafer, compound semiconductors, semiconductors CMP and etc.)
 and non-polishing materials (NOx reduction catalyst materials, special steel sheet and etc.)

Organo/Monomer sol : Hard coating materials, electronic information materials, resin additive

Oilfield materials : For enhancing oil recovery

Performance Materials – (C) 1Q FY2019 Sales Review

*Plan as of May 2019 (undisclosed)

Display Materials	1Q FY2019 Actual	
	YOY	vs. Plan* (undisclosed)
Total SUNEVER	+3%	In Line
Other Display Materials (1)	-24%	Below
Total Display Materials	+2%	In Line

Inorganic	1Q FY2019 Actual	
	YOY	vs. Plan* (undisclosed)
SNOWTEX	-3%	Below
Organo / Monomer Sol	-19%	Below
Oilfield Materials	-73%	Below
Total Inorganic	-12%	Below

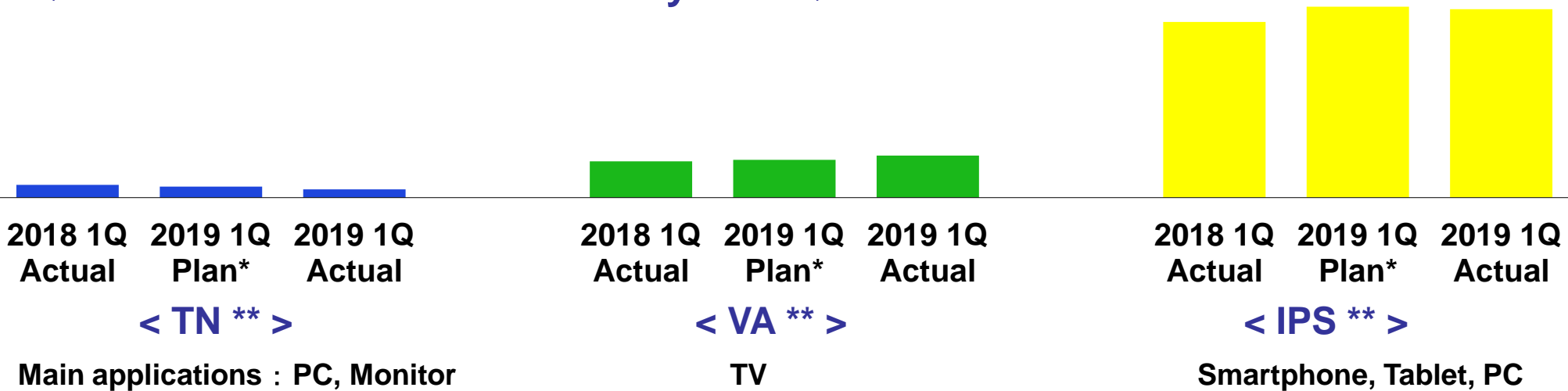
Semiconductors Materials	1Q FY2019 Actual	
	YOY	vs. Plan* (undisclosed)
KrF (ARC®)	-10%	In Line
ArF (ARC®)	-7%	Below
Total	-8%	Below
Other Semiconductors Materials (2)	-2%	Below
Total Semiconductors Materials	-6%	Below

(1) Hole injection layer materials, Repellant bank layer, Alignment materials for LC retarder, etc.

(2) Multi layer process materials (OptiStack®), EUV under layer, CMOS image sensor materials, 3D packaging process materials, etc.

Performance Materials – (D) SUNEVER

<SUNEVER Sales Distribution by Mode>



*Plan as of May 2019 (undisclosed)

**TN : Twisted Nematic, VA : Vertical Alignment, IPS : In-Plane Switching

< SUNEVER Sales Review by Mode >

	1Q FY2019 Actual	
	YOY	vs. Plan* (undisclosed)
TN	↘↘↘↘	Below
VA	↗↗↗	Above
IPS	→	Below
Total	+3%	In Line

YOY Change

+20~+29%	↗↗↗
+10~+19%	↗↗
+0~+9%	↗
-0~-9%	↘
-10~-19%	↘↘
-20~-29%	↘↘↘
-30~-39%	↘↘↘↘

Performance Materials – (E) 1Q FY2019 Sales & Profit Review

(¥billion)

	FY2018 Actual (A)	FY2019 Actual (B)	Change (B) - (A)	FY2019 Outlook as of May 2019
	1Q	1Q	1Q	1Q
Sales	15.6	15.1	-0.5	15.9
OP	3.9	3.9	-0.0	3.6

other new materials: EUV under layer, CMOS image sensor materials, 3D packaging process materials total

1Q FY2019 Review

<vs. 1Q FY2018>

- ◆ SUNEVER sales up (IPS flat (photo up, rubbing down), VA up, TN down)
- ◆ Total Semis Materials sales down (KrF, ArF and other semis materials down (multi layer down, other new materials up))
- ◆ Inorganic Materials sales down (SNOWTEX down, Organo/Monomer sol down, Oilfield Materials down)
- ◆ Fixed cost down ¥0.2 billion (including R&D)
- ◆ Sales down ¥0.5 billion, OP flat (OP: DP up, Semis down, Inorganic down)

1Q FY2019 Review

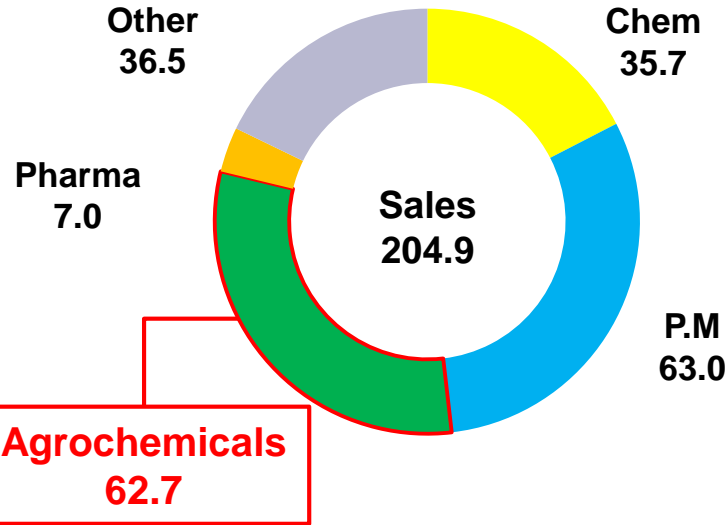
<vs. 1Q FY2019 Outlook as of May 2019>

- ◆ SUNEVER sales in line with target (IPS below target (photo above target, rubbing below target), VA above target, TN below target)
- ◆ Total Semis Materials sales below target (KrF in line with target, ArF and other semis materials below target (multi layer and other new materials below target))
- ◆ Inorganic Materials sales below target (SNOWTEX below target, Organo/Monomer sol below target, Oilfield Materials below target)
- ◆ Fixed cost below expectations by ¥0.7 billion (including R&D)
- ◆ Sales down ¥0.8 billion, OP up ¥0.3 billion (OP: DP up, Semis in line with target, Inorganic up)

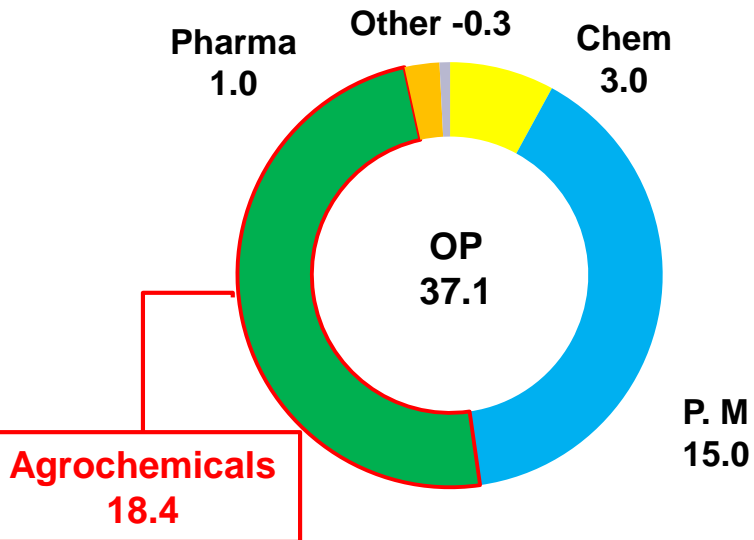
(Blank)

Agrochemicals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

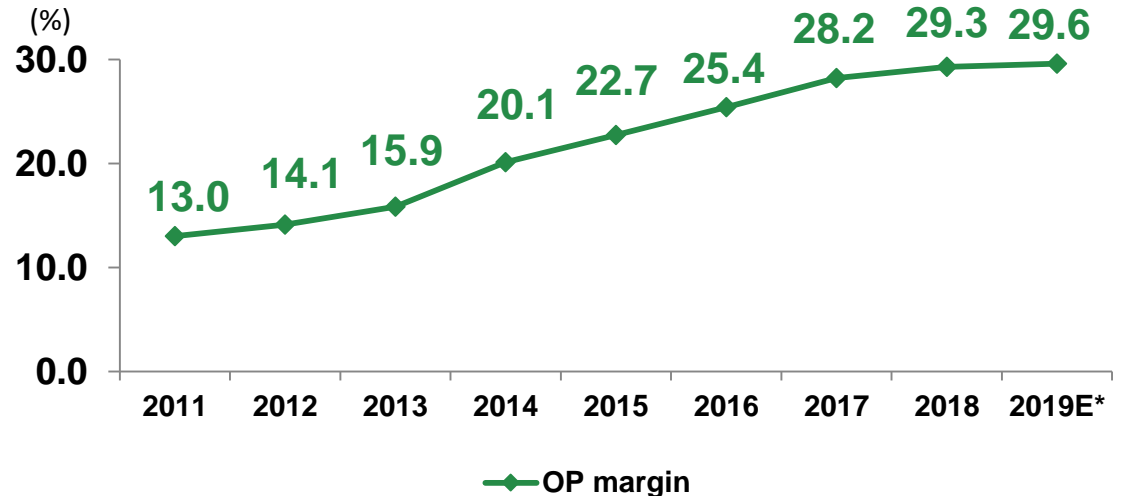
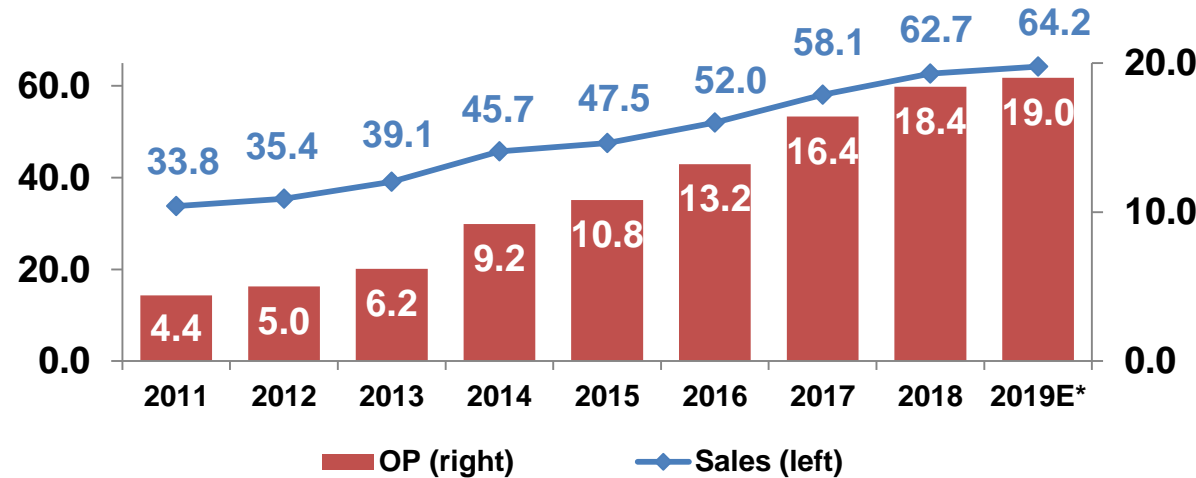


2. FY2018 OP Distribution (¥billion)



3. Recent Financial Performance (¥billion)

*announced in May 2019



Agrochemicals – (B) Sales Review (Before Discount)

		1Q FY2019 Actual (before discount)	
Main Products (in order of FY2018 sales amount)		YOY	vs. Plan* (undisclosed)
Fluralaner	Animal health products	↘↘↘	Above
ROUNDUP (1)	Herbicide	-2%	Below
ALTAIR	Herbicide	↗	Above
TARGA	Herbicide	↘↘↘↘↘	Below
PERMIT	Herbicide	↘	Above
GRACIA	Insecticide	-	Above
Total segment	-	-9%	Above

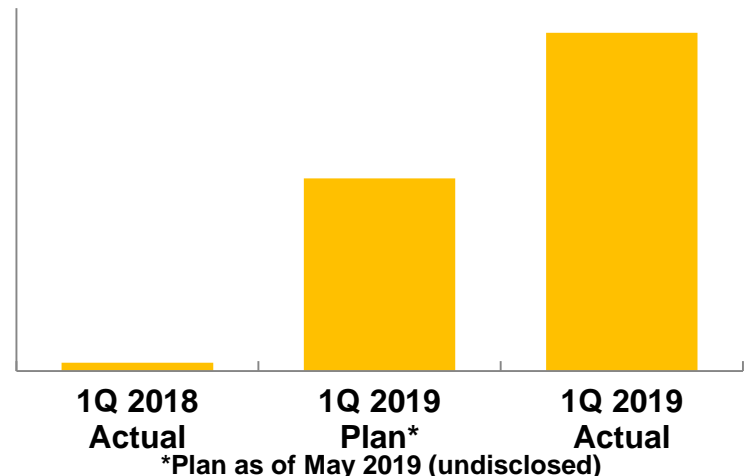
*Plan as of May 2019 (undisclosed)

YOY Change

+0 ~ +9%	↗
-0 ~ -9%	↘
-10 ~ -19%	↘↘
-20 ~ -29%	↘↘↘
-30 ~ -39%	↘↘↘↘
-40 ~ -49%	↘↘↘↘↘

(1) ROUNDUP AL for general household accounting for 28% of 1Q FY2019 ROUNDUP sales

■ GRACIA Sales (1Q FY2019 Actual)



For GRACIA Sales Growth Forecast, see p44 of presentation materials for FY2018 (announced on May 15, 2019)

Agrochemicals – (C) Fluralaner

◆ Fluralaner

- *Invented by NCC and supplied to MSD as the active pharmaceutical ingredient of BRAVECTO and EXZOLT
- *Currently, BRAVECTO series and EXZOLT are available in 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 France, Germany – already extended to February 2029
 - USA, UK, etc. – applications under examination



◆ 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 Europe, June 2014 USA, July 2015 Japan
- *Spot-on solution for dogs and cats
 - July 2016 EU(cats), December 2016 USA(cats)
 - January 2017 USA, Germany, Austria(dogs)
 - June 2018 Japan(cats)

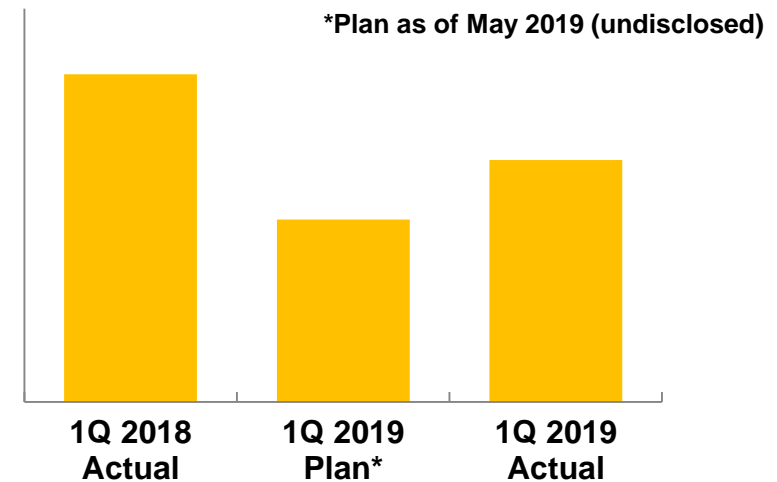
◆ EXZOLT

- *A poultry medicine against red mite launched by MSD (administered via drinking water)
 - September 2017 Europe

◆ BRAVECTO Plus

- *A broad-spectrum combination spot-on solution for cats to treat internal and external parasite infestations approved in the EU in May 2018

■ 1Q FY2019 Fluralaner Sales



For sales plan of FY2018-2021 Fluralaner, see p30 of Mid-term Business Plan Vista2021 Stage II presentation materials (announced on May 15, 2019)

Agrochemicals – (D) 1Q FY2019 Sales & Profit Review

(¥billion)

	FY2018 Actual (A)	FY2019 Actual (B)	Change (B) - (A)	FY2019 Outlook as of May 2019
	1Q	1Q	1Q	1Q
Sales	16.4	14.7	-1.7	14.1
OP	5.1	4.5	-0.6	3.6

1Q FY2019 Review

<vs. 1Q FY2018>

- ◆ Sales up : GRACIA(domestic)
- ◆ Sales down : Fluralaner (BRAVECTO inventory adjustment), TARGA(export), LEIMAY(export), PULSOR(export), STARMITE(export), ROUNDUP
- ◆ Fixed cost down ¥0.2 billion
- ◆ Inventory adjustment cost up ¥0.3 billion
- ◆ Sales down ¥1.7 billion, OP down ¥0.6 billion

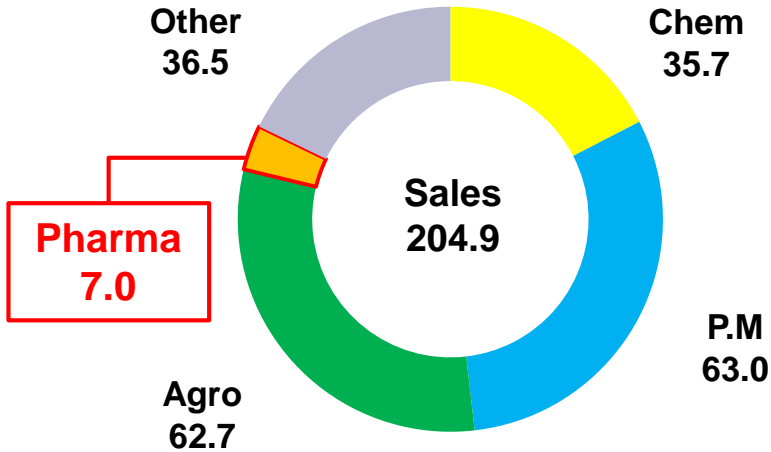
1Q FY2019 Review

<vs. 1Q FY2019 Outlook as of May 2019>

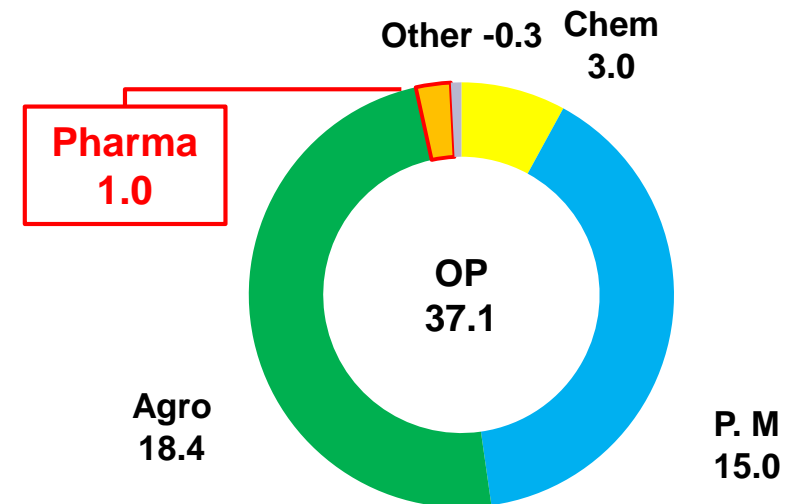
- ◆ Sales above target : Fluralaner, GRACIA(domestic)
- ◆ Sales below target : TARGA(export), LEIMAY(domestic), PULSOR(export), ROUNDUP
- ◆ Fixed cost below expectations by ¥0.3 billion
- ◆ Sales up ¥0.6 billion, OP up ¥0.9 billion

Pharmaceuticals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

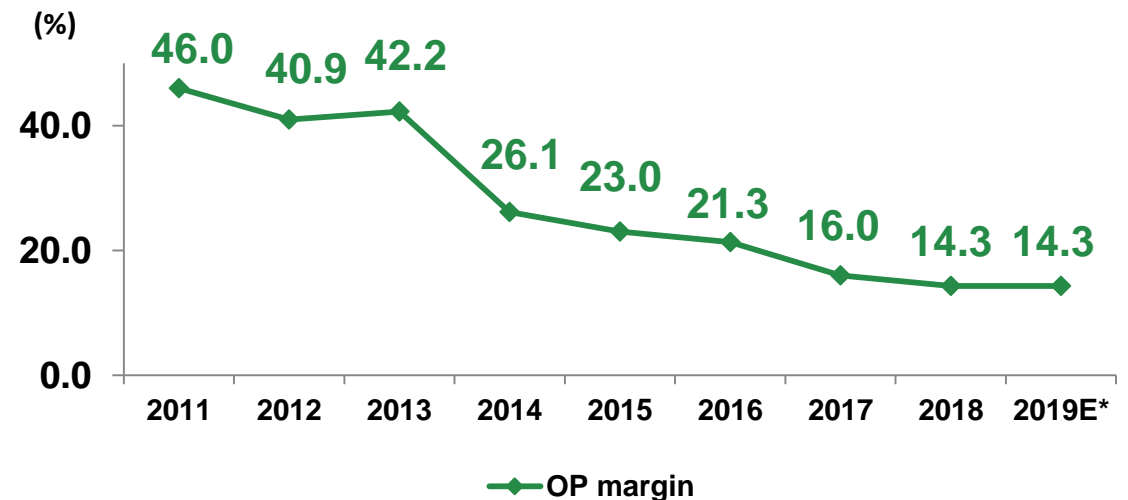
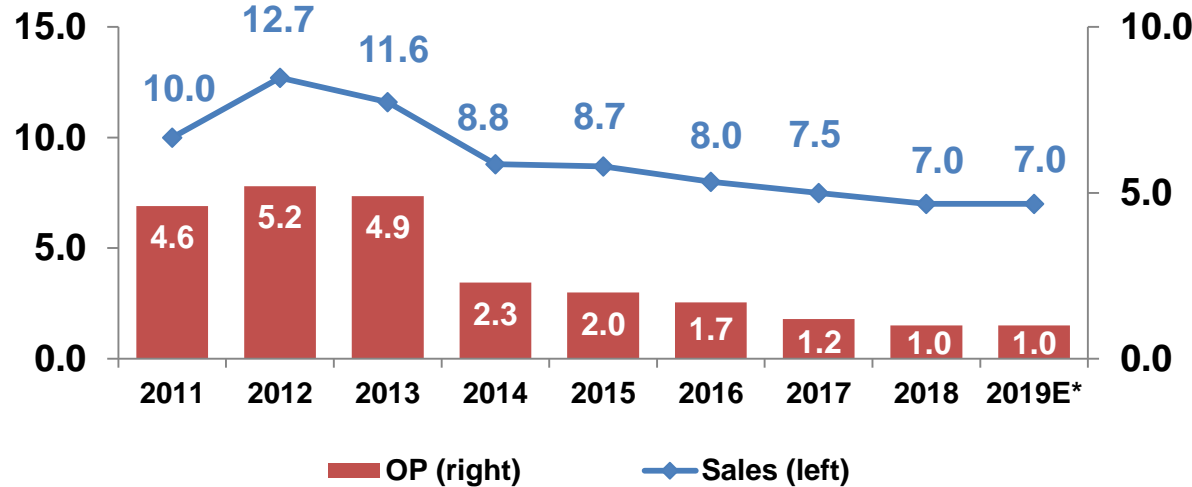


2. FY2018 OP Distribution (¥billion)



3. Recent Financial Performance (¥billion)

*announced in May 2019



Pharmaceuticals – (B) 1Q FY2019 Sales & Profit Review

Sales Review

*Plan as of May 2019 (undisclosed)

Pharma	1Q FY2019 Actual	
	YOY	vs. Plan* (undisclosed)
LIVALO	+8%	Above
Custom Chemicals	-12%	Below
Total segment	+1%	Above

1Q FY2019 Review

<vs. 1Q FY2018>

- ◆ LIVALO sales up
(domestic sales up, export up)
- ◆ Custom Chemicals sales down
- ◆ Sales up ¥0.1 billion, OP up ¥0.1 billion

Profit Review

(¥billion)

	FY2018 Actual (A)	FY2019 Actual (B)	Change (B) - (A)	FY2019 Outlook as of May 2019
	1Q	1Q	1Q	1Q
Sales (LIVALO)	1.8 (1.3)	1.9 (1.4)	+0.1 (+0.1)	1.6 (1.1)
OP	0.3	0.4	+0.1	0.1

1Q FY2019 Review

<vs. 1Q FY2019 Outlook as of May 2019>

- ◆ LIVALO sales above target
(domestic sales above target, export above target)
- ◆ Custom Chemicals sales below target
- ◆ Sales up ¥0.3 billion, OP up ¥0.3 billion

ESG

◆ September 2018

- NCC was selected for the first time as an inclusion in the Dow Jones Sustainability Asia Pacific Index
- NCC published its integrated reports “Integrated Reports 2018” for the first time

https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2018.pdf

◆ April 2019

Establishment of Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors

◆ June 2019

- Introduction of a performance-linked stock compensation plan called a Board Benefit Trust for members of the Board of Directors, etc.
- One Outside Director added
As a result, the Board of Directors consisting of 9 Directors include 3 Outside Directors

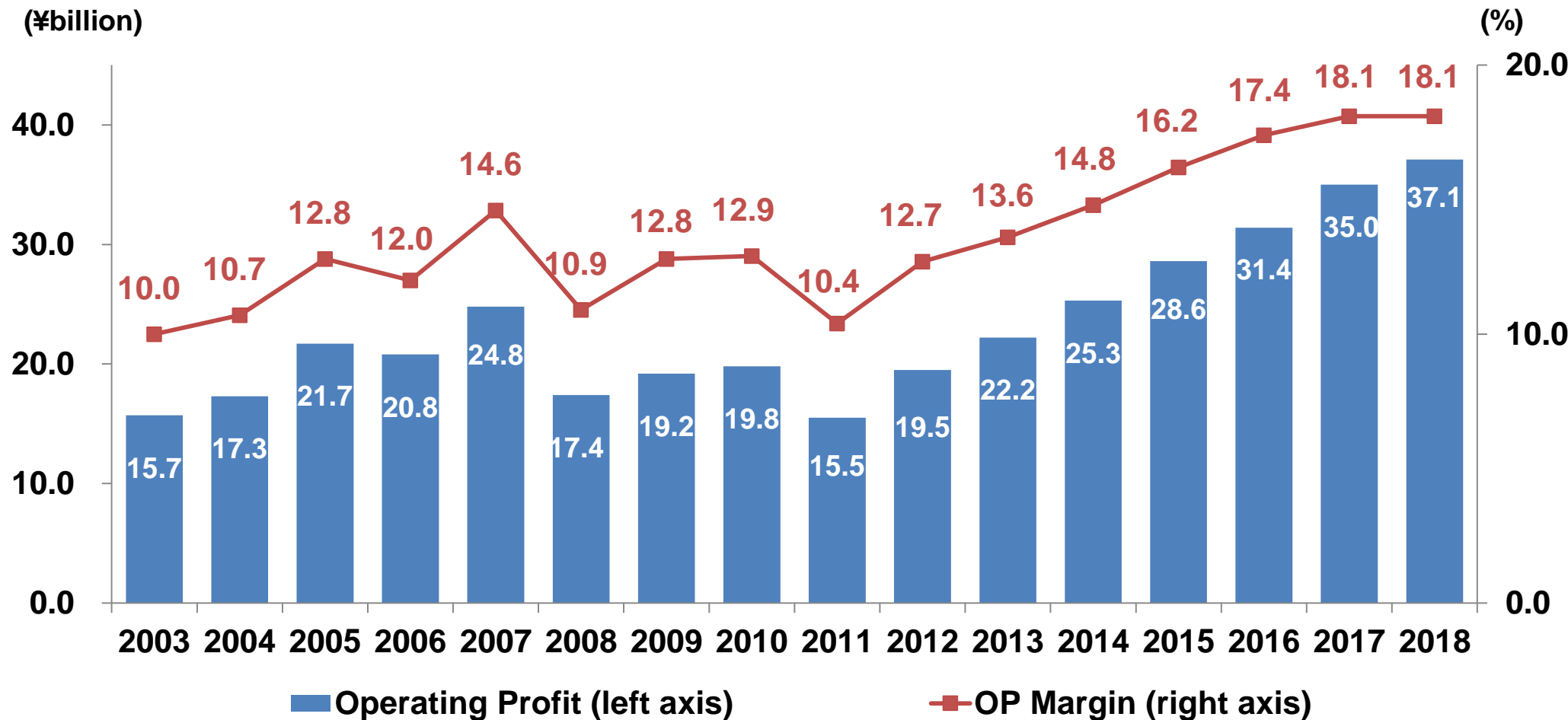
◆ July 2019

- NCC was selected for the first time as an inclusion in the MSCI Japan Empowering Woman Index(WIN)

(Blank)

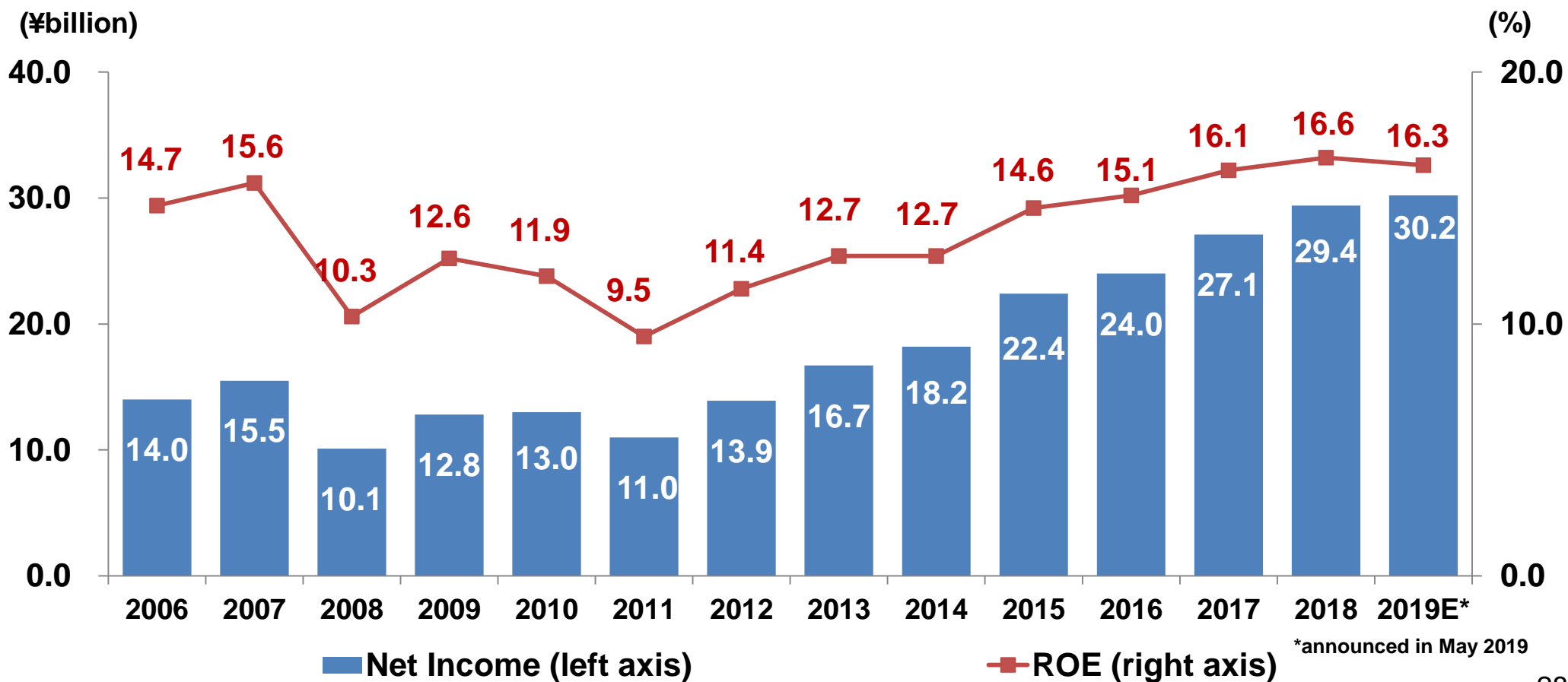
Our Characteristics - (A) Recording Stable OP Margin

◆ NCC has recorded more than 10% OP margin in 16 consecutive years (FY2003-2018)



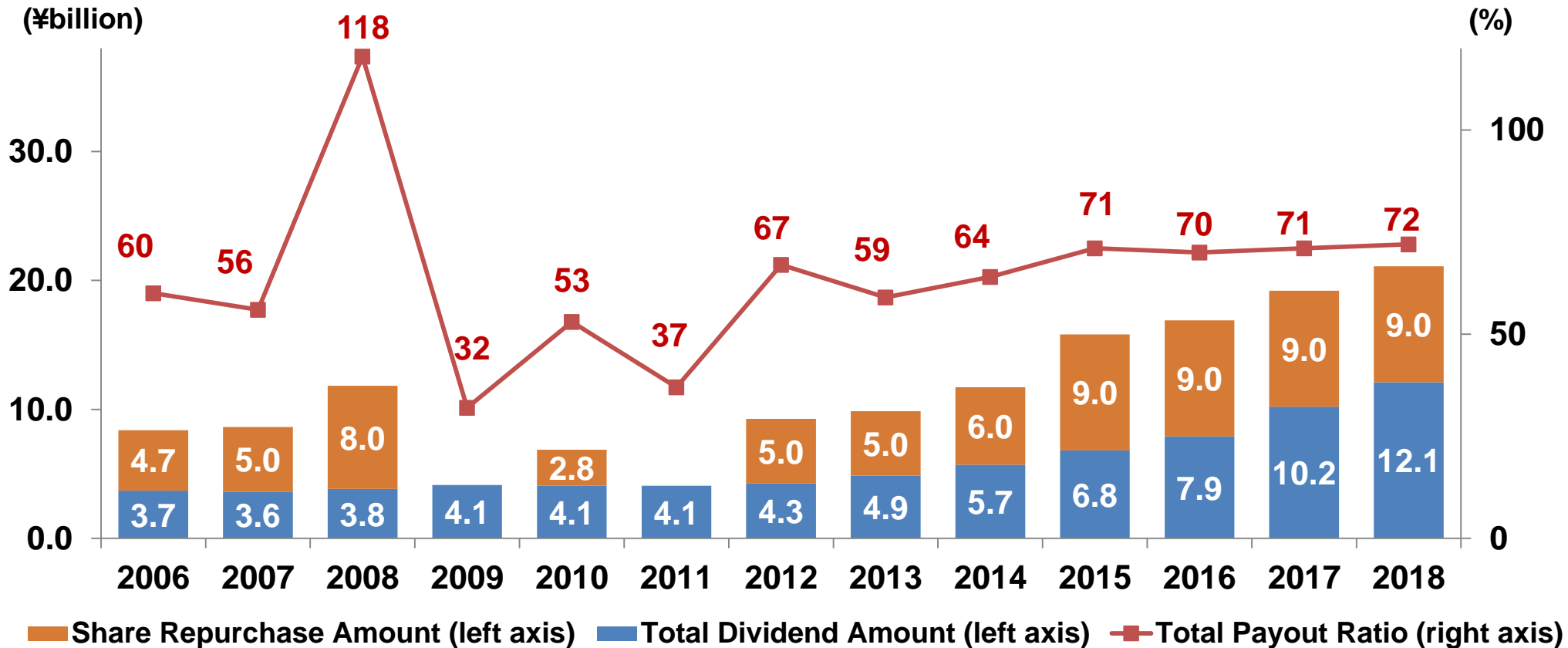
Our Characteristics - (B) High ROE

- ◆ The most important financial indicator for a long time
- ◆ Target : Maintain above 14% (Mid-Term Plan FY2016-2018)
⇒ Achieved in FY2016, 2017 and 2018
- ◆ New Target : Maintain above 16% (New Mid-Term Plan FY2019-2021)



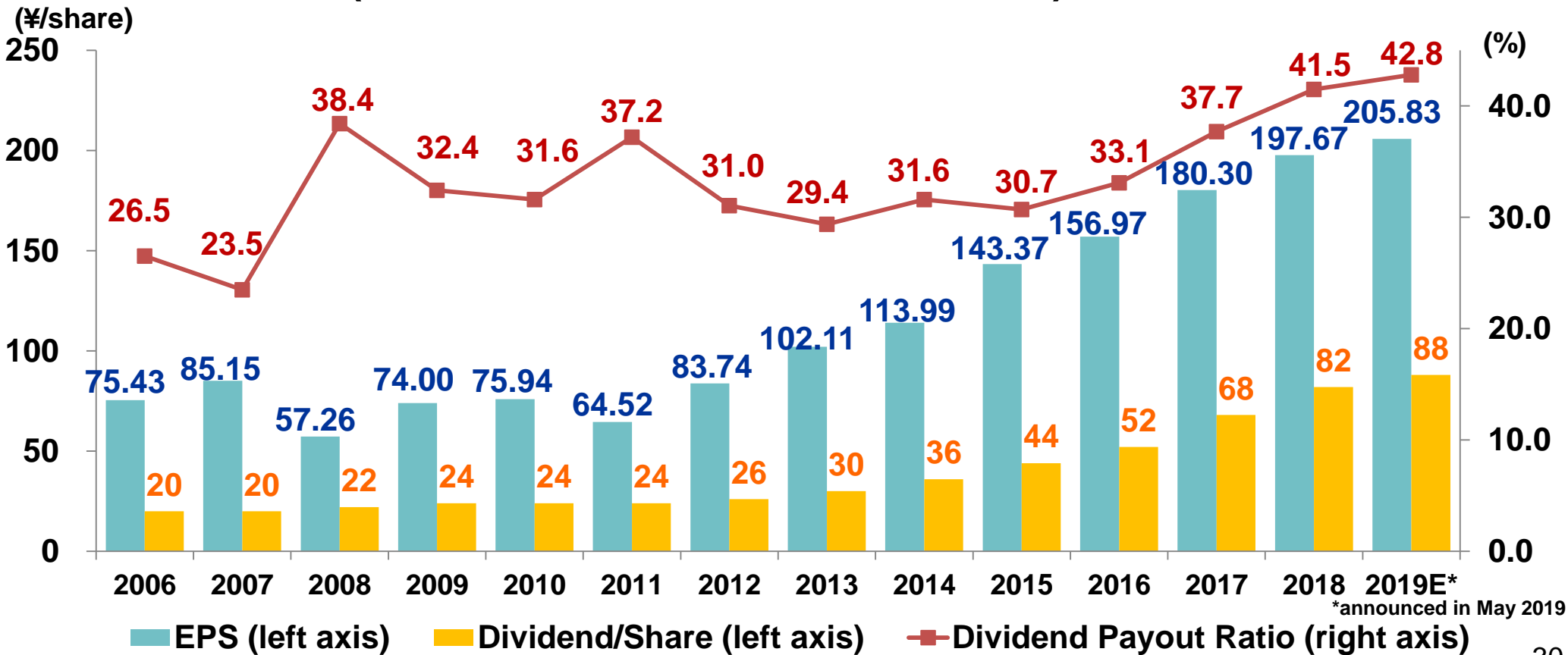
Our Characteristics - (C) Shareholders Return Policy

- ◆ Maintaining an aggressive shareholders return policy
- ◆ Target : Maintain 70% total payout ratio (Mid-Term Plan FY2016-2018)
⇒ Achieved in FY2016, 2017 and 2018
- ◆ New Target : 72.5% in FY2019, 75% in FY2020 and 2021
(New Mid-Term Plan FY2019-2021)



Our Characteristics - (D) Shareholders Return Policy - Dividend

- ◆ Maintaining about 30% dividend payout ratio in recent years
- ◆ Target : Gradually increase to 40% in FY2018 (Mid-Term Plan FY2016-18)
⇒ Achieved in FY2018 (41.5%)
- ◆ New Target : 42.5% in FY2019, 45% in FY2020 and 2021
(New Mid-Term Plan FY2019-2021)



Our Characteristics - (E) Shareholders Return Policy - Share Repurchase

- ◆ Started share repurchase in 2006 only to enhance ROE
- ◆ Repurchased ¥72.5 billion, 38.8 million shares (20.7% of shares issued) in total from FY2006 to FY2018
- ◆ **Cancelled all repurchased shares**

Shareholders Return FY2006 - 2018

Fiscal year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	3,263	2,764	3,333	2,621	2,292	1,682	38,748
Purchase costs (¥billion)	4.7	5.0	8.0	0.0	2.8	0.0	5.0	5.0	6.0	9.0	9.0	9.0	9.0	72.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	6,000	4,000	3,000	2,000	2,000	3,000	2,000	38,635
Shares issued at FY end (million shares)	185	181	174	174	171	171	165	161	158	156	154	151	149	
Treasury shares at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	522	287	1,621	2,242	1,535	1,218	

◆ Share repurchase program

Fiscal year	2018 Actual		2019 Plan as of May 2019	2019 Actual
Total amount (¥billion)	5.0		4.0	up to 6.0
Total number of shares repurchased (thousand shares)	976		706	up to 1,700
Period of repurchase	May 14, 2018 - June 8, 2018		February 12, 2019 - March 4, 2019	May 16, 2019 - August 30, 2019
				May 16, 2019 - July 23, 2019

- ◆ FY2019 cancellation of treasury shares:
 - May 10, 2019 : 1.0 million shares

◆ Cash Management Policy

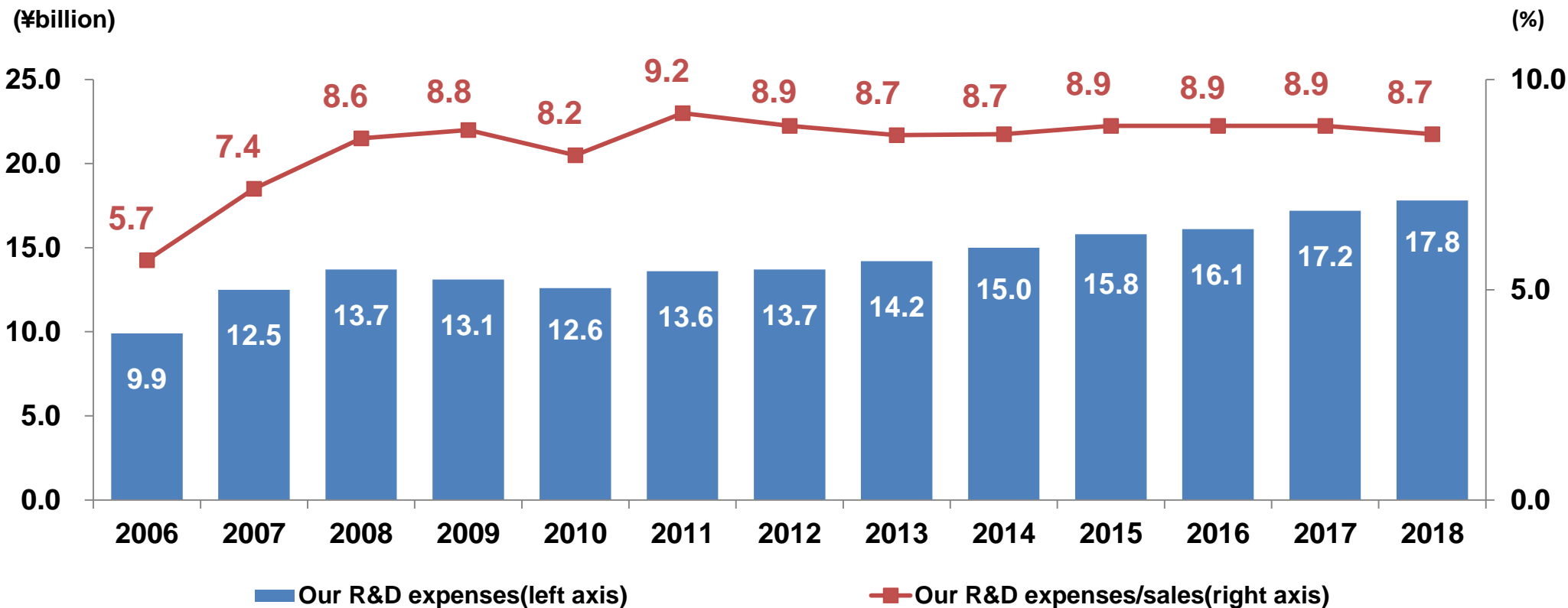
Aiming to control cash balance around the level of

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

(Blank)

Our Characteristics- (F-1) R&D Oriented Chemical Company

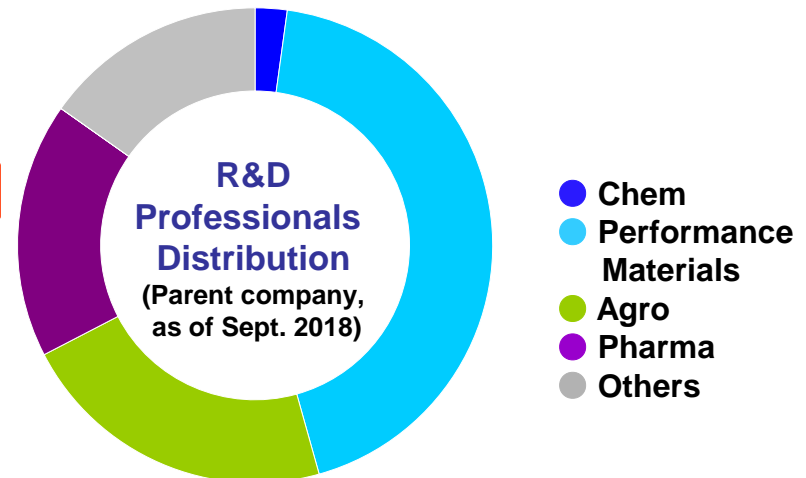
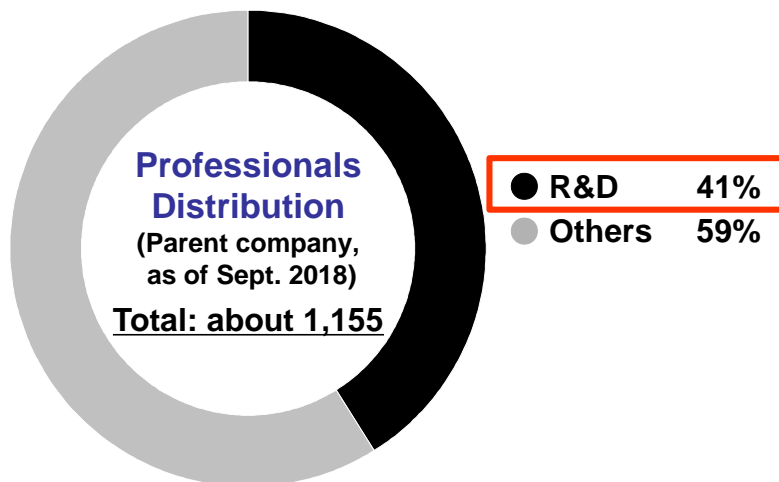
- ◆ FY2018 R&D expenses/sales: 8.7%
- ◆ Maintaining above 8% R&D expenses/sales in recent years
- ◆ About 40% of profession staff assigned to R&D centers



Our Characteristics- (F-2) R&D Oriented Chemical Company

◆ R&D by segment

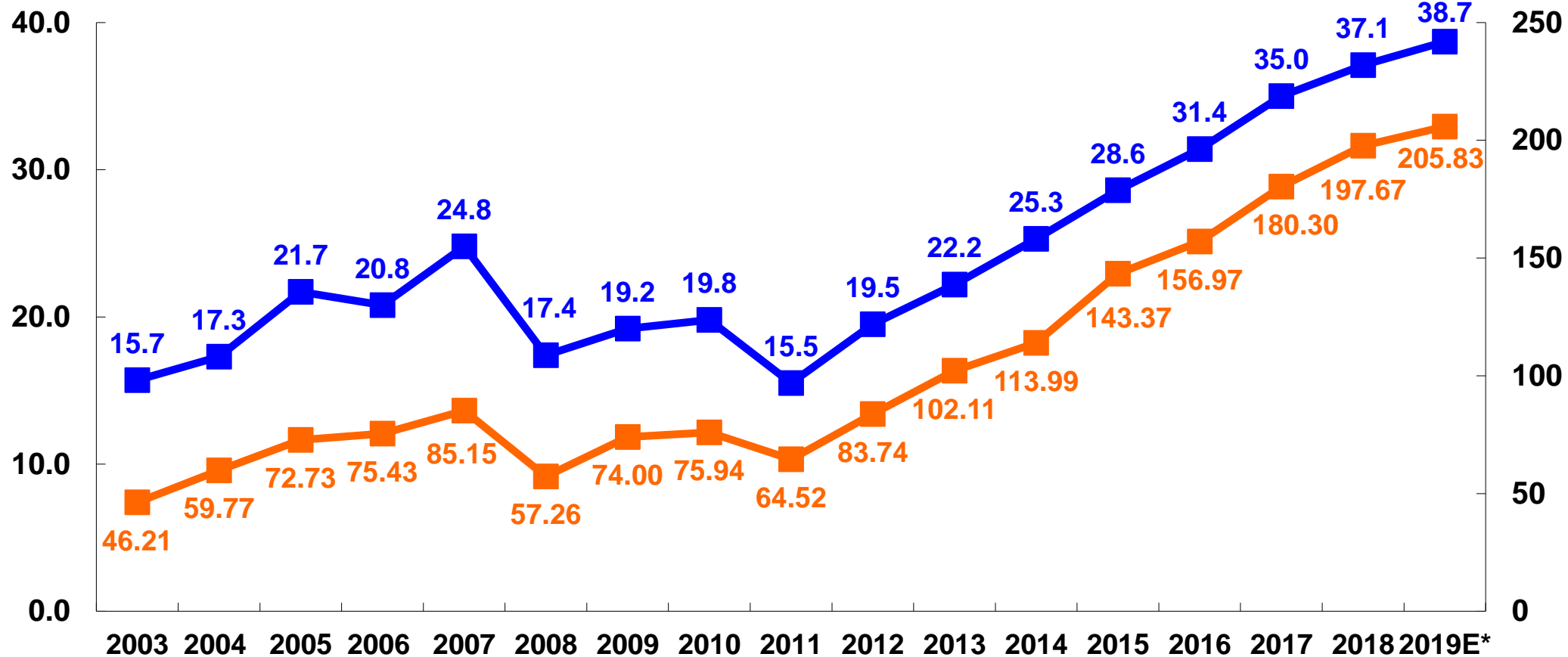
Segment	FY2018 Actual				
	Sales (¥billion)	OP (¥billion)	OP margin	R&D expenses (¥billion)	% of Sales
Chemicals	35.7	3.0	8.4%	0.6	1.7%
Performance Materials	63.0	15.0	23.8%	8.2	13.0%
Agrochemicals	62.7	18.4	29.3%	4.5	7.2%
Pharmaceuticals	7.0	1.0	14.3%	2.5	35.7%
Others	-	-	-	2.0	-
Total (including others and adjustment)	204.9	37.1	18.1%	17.8	8.7%



Long-term Financial Performance Trend

OP
(¥billion)

EPS
(¥/share)



*announced in May 2019

Long Term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019E*
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	210.5
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	38.7
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	40.2
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	30.2
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.2	25.9	29.0	30.8	33.8	38.3	40.3	45.5	48.0	49.4
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%	18.4%
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%	16.3%
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	205.83
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	52	68	82	88
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%
Share Repurchase	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	9.0	9.0	9.0	9.0	-
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	-
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	-
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	-
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	-
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%	-
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	10.2	14.3	13.7	9.9	9.7
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	10.7
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	18.3
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%	8.7%

*announced in May 2019

FY2016 – 1Q FY2019 Quarterly Sales by Segment (1)

(¥billion)

	FY2016 Actual					FY2017 Actual					FY2018 Actual					FY2019 Actual
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	8.5	8.0	9.1	9.2	34.8	8.8	7.9	9.2	9.0	34.9	8.7	8.3	9.6	9.1	35.7	8.4
Fine	2.8	2.5	2.7	2.7	10.7	2.8	2.5	2.8	2.5	10.6	2.7	2.4	2.6	2.7	10.4	2.6
Basic	5.7	5.5	6.4	6.5	24.1	6.0	5.4	6.4	6.5	24.3	6.0	5.9	7.0	6.4	25.3	5.8
P.M	12.6	12.9	13.8	13.5	52.8	14.1	15.0	15.1	14.6	58.8	15.6	16.4	16.6	14.4	63.0	15.1
Agro	14.5	9.5	4.2	23.8	52.0	14.6	11.5	6.4	25.6	58.1	16.4	12.3	5.9	28.1	62.7	14.7
Pharma	2.2	1.5	2.4	1.9	8.0	2.1	1.4	2.3	1.7	7.5	1.8	1.9	1.9	1.4	7.0	1.9
Trading	14.4	13.2	13.7	13.9	55.2	14.6	14.5	15.9	14.5	59.5	17.8	15.6	18.1	16.4	67.9	17.5
Others	4.0	4.6	5.8	9.6	24.0	5.4	4.3	4.6	7.2	21.5	4.6	5.9	7.2	6.9	24.6	4.9
Adjust	-11.1	-10.3	-11.4	-13.7	-46.5	-12.2	-11.0	-11.8	-11.9	-46.9	-14.0	-13.3	-15.4	-13.3	-56.0	-13.8
Total	45.1	39.4	37.6	58.2	180.3	47.4	43.6	41.7	60.7	193.4	50.9	47.1	43.9	63.0	204.9	48.7

(1) Including inter-segment sales/transfers

FY2016 – 1Q FY2019 Quarterly OP by Segment

(¥billion)

	FY2016 Actual					FY2017 Actual					FY2018 Actual					FY2019 Actual
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	1.5	-0.2	1.3	1.2	3.8	1.5	-0.2	1.2	0.9	3.4	1.6	-0.4	1.0	0.8	3.0	0.9
P.M	3.0	3.2	3.8	2.5	12.5	3.6	4.1	4.0	2.5	14.2	3.9	4.2	4.3	2.6	15.0	3.9
Agro	4.5	2.4	-2.0	8.3	13.2	4.5	3.6	-0.6	8.9	16.4	5.1	4.7	-1.3	9.9	18.4	4.5
Pharma	0.6	0.0	0.8	0.3	1.7	0.5	0.0	0.6	0.1	1.2	0.3	0.3	0.4	0.0	1.0	0.4
Trading	0.4	0.4	0.5	0.4	1.7	0.4	0.5	0.5	0.4	1.8	0.6	0.5	0.6	0.3	2.0	0.5
Others	0.0	0.0	0.2	0.8	1.0	0.1	0.1	0.1	0.3	0.6	0.1	0.1	0.2	0.5	0.9	0.1
Adjust	-0.5	-0.6	-0.6	-0.8	-2.5	-0.6	-0.8	-0.7	-0.5	-2.6	-0.9	-0.7	-0.8	-0.8	-3.2	-1.0
Total	9.5	5.2	4.0	12.7	31.4	10.0	7.3	5.1	12.6	35.0	10.7	8.7	4.4	13.3	37.1	9.3

Sales and Operating Profit by Segment (1) (2)

<Sales (A)>

(¥billion)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019E*
Chem	38.1	36.9	34.5	35.5	34.3	34.3	34.8	34.9	35.7	39.0
P.M	38.0	34.0	37.4	42.8	49.4	51.8	52.8	58.8	63.0	64.3
Agro	34.4	33.8	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.2
Pharma	9.6	10.0	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0
Trading	44.1	44.8	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.8
Others	27.0	20.0	21.2	21.4	20.9	20.9	24.0	21.5	24.6	23.3
Adjust	-37.0	-30.9	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-55.1
Total	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	210.5

*announced in May 2019

<Segment Assets (D)>

<OP (B)>

Chem	2.4	1.6	1.9	1.9	1.9	3.9	3.8	3.4	3.0	4.0
P.M	7.9	4.8	7.2	8.8	12.0	12.0	12.5	14.2	15.0	15.0
Agro	4.8	4.4	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.0
Pharma	4.4	4.6	5.2	4.9	2.3	2.0	1.7	1.2	1.0	1.0
Trading	1.4	1.3	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.0
Others	1.0	0.3	0.7	0.8	0.6	0.5	1.0	0.6	0.9	0.6
Adjust	-2.1	-1.5	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.9
Total	19.8	15.5	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.7

FY2018
28.7
51.3
61.8
9.1
25.5
11.5
59.1
247.0

<OP Margin (C)=(B)/(A)>

Chem	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	10.3%
P.M	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	23.3%
Agro	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	29.6%
Pharma	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	14.3%
Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	2.9%
Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%	4.2%	2.8%	3.7%	2.6%
Total	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.4%

<ROA (E)=(B)/(D)>

10.5%
29.2%
29.8%
11.0%
7.8%
7.8%
15.0%

(1) FY2010-2011 : Former Segmentation, FY2012- : New Segmentation

(2) Including inter-segment sales/transfers

Main Products by Segment

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 ARC® OptiStack® NHC OPTIFOCUS ELSOURCE	LCD alignment coating bottom anti-reflective coating for semiconductors multi layer process material for semiconductors (Si-HM/SOC) *ARC® and OptiStack® are registered trade mark of Brewer Science, Inc. protective coating for touch panel microlens material for image sensor application hole injection layer materials for OLED
	◆ Inorganic Materials SNOWTEX Organo silica sol Monomer sol Alumina sol SUNCOLLOID CELNAX Oilfield materials	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 resin additive automotive catalyst, electronic printing materials high refractive sol for lens antistatic sol for film for enhancing oil recovery
Agro	◆ Herbicide TARGA PERMIT SIRIUS, ALTAIR ROUNDUP ◆ Insecticide STARMITE, SANMITE, MITOKOHNE GRACIA ◆ Fungicide LEIMAY/ORACLE PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE) ◆ Animal health products Fluralaner	soybean, rapeseed, sugarbeet corn, sugarcane, rice paddy rice non-selective herbicide for orchard, noncrop land fruits, tea, vegetables vegetables, tea vegetables, potato, fruits potato, grape, turf active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites)
Pharma	LIVALO Custom Chemicals	anti-cholesterol drug custom manufacturing and process researching 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.

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



Nissan Chemical
CORPORATION