

August 10, 2021

Presentation for Investors

1Q FY2021 (April 1- June 30, 2021) Financial Results

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Translation of presentation materials for the conference call held on August 10, 2021



2020 Award for Excellence
in Corporate Disclosure

— Industries —

 The Securities Analysts
Association of Japan



Nissan Chemical
CORPORATION

**Institutional
Investor**

2021 JAPAN EXECUTIVE TEAM
MOST HONORED COMPANY

NISSAN CHEMICAL CORPORATION

Changes in Accounting Policies(some figures updated since May 2021)

1.Changes in accounting policies:

Adoption of the Accounting Standard for the Revenue Recognition (ASBJ Statement No.29)

2.Timing of adoption: April 1, 2021 (From FY2021)

3.Major effects on PL, BS due to the changes:

A. Agent transactions

- (Mainly effected segments) Chemicals, Agrochemicals, Trading
 (Before adoption) Sales = gross amount from the customer, Sales expenses = amount paid to the supplier
 (After adoption) Sales = gross amount from the customer - amount paid to the supplier
 (Estimated impact on FY2021 PL Outlook as of May 2021)
 Sales and sales expenses down ¥44.6 billion (parent company ¥2.3 billion, Trading segment ¥42.3 billion)
 (including in adjustment in sales by segment)

B. Royalties based on sales amount

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

(Mainly effected segments) Agrochemicals (Fluralaner running royalties)

	MSD* sales	Jan. - March	April - June	July - Sept.	Oct. -Dec.
Before adoption (until FY2020)	NCC Royalties	August (2Q)		February (following year) (4Q)	
After adoption (from FY2021)		May (1Q)	August (2Q)	November (3Q)	February (following year) (4Q)

C. Sales discount subject to change at the selling timing

- (Mainly effected segments) Agrochemicals
 (Before adoption) Recognized when discount is finally fixed
 (After adoption) Recognized corresponding to sales period based on reasonable estimation
 (Estimated impact on FY2021 BS)

The cumulative effect (¥1.5 billion)(after reflecting tax effect) of retroactively applying (C) is deducted from the beginning FY2021 retained earnings (BS item)

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

		Sales discount
Before adoption	FY2020	AY2019* (Oct. 2019 - Sept. 2020)
After adoption	FY2020	AY2019* (Oct. 2019 - Sept. 2020) + October 2020 - March 2021(= ¥1.5 billion)
	FY2021	April 2021 - March 2022

AY2019* = Agrochemical Year (from Oct. 2019 to Sept. 2020)

1Q FY2021 Highlight

1. vs. 1Q FY2020

◆ **OP up ¥2.1 billion (1Q FY2021 Actual ¥11.9 billion vs. 1Q FY2020 Actual ¥9.8 billion) (+21%)**

- Chemicals OP up due to sales increase in melamine, TEPIC and environmental related products
- Performance Materials OP up due to substantial sales increase in Display Materials, Semis Materials, and Inorganic Materials
- Agro OP up due to Inventory adjustment cost down despite sales decrease(Fluralaner royalties increase and sales discount cost increase due to changes in accounting policies, while sales decrease in several products including GRACIA and ALTAIR)
- Pharma OP down due to both LIVALO and Custom Chemicals sales decrease

◆ **Net income up ¥1.2 billion (1Q FY2021 Actual ¥8.8 billion vs. 1Q FY2020 Actual ¥7.6 billion) (+16%)**

◆ **OP, Ordinary Income and Net Income renewed the highest results since 1Q FY2018**

2. vs. 1Q FY2021 Outlook as of May 2021 (see p4, p10, p30)

◆ **OP above target ¥2.1 billion (1Q FY2021 Actual ¥11.9 billion vs. 1Q FY2021 Outlook ¥9.8 billion)**

- Chemicals OP in line with target
- Performance Materials OP above target due to substantial sales increase in Display Materials, Semis Materials, and Inorganic Materials
- Agro OP above target due to fixed cost and inventory adjustment cost below target, despite sales below target (Fluralaner sales above target, while sales below target in several products including ROUNDUP, GRACIA, and ALTAIR)
- Pharma OP above target due to solid sales of LIVALO in domestic

◆ **Net income above target ¥1.3 billion (1Q FY2021 Actual ¥8.8 billion vs. 1Q FY2021 Outlook ¥7.5 billion)**

3. Full Year FY2021 Outlook as of May 2021

◆ **No revision**

4. Share Repurchase

◆ **Completed (¥7.0 billion, 1.262 million shares, period of repurchase: May 17, 2021-July 21, 2021)**

1Q FY2021 Actual⁽¹⁾

	FY2020 Actual	FY2021 Actual	Change	(¥billion)
	1Q	1Q	1Q	FY2021 Outlook as of May2021 1Q
Sales	49.3	46.5	-2.8	40.0
Operating Profit	9.8	11.9	+2.1	9.8
Non-Operating Income/Expenses	0.6	0.4	-0.2	0.4
Ordinary Income	10.4	12.3	+1.9	10.2
Extraordinary Income/Loss	0.0	0.0	0.0	0.0
Net Income (2)	7.6	8.8	+1.2	7.5
EBITDA (3)	12.1	14.2	+2.1	-
EPS (¥/share)	52.38	61.73	+9.35	-
OP Margin	19.9%	25.5%	+5.6%	24.5%
FX Rate (¥/\$)	108	110		107
Crude Oil (JCC) (\$/bbl) (4)	31	67		55

(1) FY2021 Actual & Outlook: including effects of changes in accounting policies (see p2)

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

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

1Q FY2021 Review

<vs. 1Q FY2020>

(Sales)	◆DOWN	¥-2.8 billion	(-6%)
<i>(Including sales decrease (¥3.5 billion) due to changes in accounting policies)</i>			
(OP)	◆UP	¥+2.1 billion	(+21%)
<i>(Including OP increase (¥1.2 billion) due to changes in accounting policies :total of Fluralaner royalties increase and Argo's sales discount cost increase)</i>			
(Ordinary Income)	◆UP	¥+1.9 billion	(+18%)
(Net Income)	◆UP	¥+1.2 billion	(+16%)
(EPS)	◆UP	¥+9.35	(+18%)

- (+) Chemicals, Performance Materials
- (-) Agrochemicals, Pharmaceuticals, Trading
- (+) Chemicals, Performance Materials, Agrochemicals
- (±) Trading
- (-) Pharmaceuticals

OP, Ordinary Income and Net Income renewed the highest results since 1Q FY2018

<vs. 1Q FY2021 Outlook as of May 2021>

(Sales)	◆UP	¥+6.5 billion
<i>(Including sales increase (¥5.5 billion) vs. expectations of changes in accounting policies (agent transactions))</i>		
(OP)	◆UP	¥+2.1 billion
(Ordinary Income)	◆UP	¥+2.1 billion
(Net Income)	◆UP	¥+1.3 billion

- (+) Chemicals, Performance Materials, Pharmaceuticals, Trading
- (-) Agrochemicals
- (+) Performance Materials, Agrochemicals, Pharmaceuticals, Trading
- (±) Chemicals

1Q FY2021 Non-Operating Income/Expenses, Extraordinary Income/Loss

	FY2020 Actual	FY2021 Actual	(¥billion) FY2021 Outlook as of May 2021
	1Q	1Q	1Q
Non-Operating Income	0.84	0.63	0.57
Interest income, dividend income	0.31	0.27	0.25
Equity in earnings of affiliates, others	0.53	0.36	0.32
Non-Operating Expenses	0.23	0.19	0.20
Interest expense	0.03	0.03	0.03
Loss on disposal of non-current assets, others	0.20	0.16	0.17
Non-Operating Income/Expenses	0.61	0.44	0.37
Extraordinary Income	0.00	0.00	0.00
Extraordinary Loss	0.00	0.00	0.00
Extraordinary Income/Loss	0.00	0.00	0.00

1Q FY2021 Cash Flows

(¥billion)

	FY2020 Actual	FY2021 Actual
	1Q	1Q
CF from operating activities	12.4	11.8
Income before income taxes & non-controlling interests	10.4	12.3
Loss (gain) on sales of securities	0.0	0.0
Depreciation & Amortization (1)	2.3	2.2
Income taxes paid	-6.0	-7.1
Working capital, others	5.7	4.4
CF from investing activities	-1.5	-3.3
Purchase of PPE	-2.0	-2.8
Purchase and sales of investment securities	-0.1	-0.1
Others	0.6	-0.4
CF from financing activities	-24.9	-23.8
Payout to shareholders (dividend)	-7.0	-8.3
Payout to shareholders (share repurchase)	-4.1	-4.8
Borrowings	-10.9	-8.4
Others	-2.9	-2.3
Effect of exchange rate change on cash & cash equivalents	0.0	0.0
Change in cash & cash equivalents	-14.0	-15.3
Cash & cash equivalents at end of period	16.6	17.1

(1) Including amortization of goodwill

1Q FY2021 Balance Sheets

(¥billion)

	2020/6	2021/3 (A)	2021/6 (B)	Change (B)-(A)
Current assets	134.6	159.6	142.2	-17.4
Cash	16.6	32.4	17.1	-15.3
Accounts receivable	63.0	73.9	66.4	-7.5
Inventories	46.6	46.7	49.8	+3.1
Others	8.4	6.6	8.9	+2.3
Fixed assets	97.5	105.9	104.4	-1.5
Total PPE	50.8	51.8	51.5	-0.3
Intangible assets	7.2	12.1	12.2	+0.1
Investment securities*	34.6	35.9	34.9	-1.0
Others	4.9	6.1	5.8	-0.3
Total assets	232.1	265.5	246.6	-18.9

*Investment securities

Listed shares	24.1	24.4	23.1	-1.3
Unlisted shares	2.7	2.7	2.8	+0.1
Subsidiaries/Associates shares	7.8	8.8	9.0	+0.2
Total	34.6	35.9	34.9	-1.0

	2020/6	2021/3 (A)	2021/6 (B)	Change (B)-(A)
Liabilities	47.5	64.9	52.7	-12.2
Accounts payable	15.8	16.3	15.7	-0.6
Borrowings	13.7	22.7	14.2	-8.5
Others	18.0	25.9	22.8	-3.1
Net assets	184.6	200.6	193.9	-6.7
Shareholders' equity	173.6	186.9	181.1	-5.8
Valuation difference on available-for-sale securities	10.2	11.4	10.5	-0.9
Foreign currency translation adjustment	-0.8	0.1	0.1	0.0
Non-controlling interests	1.6	1.7	1.8	+0.1
Remeasurements of defined benefit plans	0.0	0.5	0.4	-0.1
Total liabilities & Net assets	232.1	265.5	246.6	-18.9

• Equity Ratio 78.8% 74.9% 77.9%

• D/E Ratio (1) -1.7% -5.2% -1.6%

• Change in shareholders' equity -5.8

= Net Income 8.8 - Dividend and others 14.6

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

FY2020-1Q FY2021 Quarterly Sales by Segment (1)(2)(3) (¥billion)

	FY2020 Actual					FY2021 Actual		FY2021 Outlook as of May 2021				
	1Q (A)	2Q	3Q	4Q	Total	1Q (B)	Change (B) - (A)	1Q	2Q	1H	2H	Total
Chem	7.4	7.3	8.3	8.9	31.9	8.8	+1.4	8.4	8.3	16.7	17.9	34.6
Fine Chemicals	2.7	2.7	2.8	3.2	11.4	3.2	+0.5	3.2	3.1	6.3	6.6	12.9
Basic Chemicals	4.7	4.6	5.5	5.7	20.5	5.6	+0.9	5.2	5.2	10.4	11.3	21.7
Performance Materials	17.1	17.5	19.2	17.8	71.6	20.0	+2.9	18.6	18.6	37.2	38.6	75.8
Agro	14.6	11.1	6.3	31.8	63.8	13.4	-1.2	14.5	10.3	24.8	41.4	66.2
Pharma	1.5	1.5	1.4	2.3	6.7	1.1	-0.4	0.9	2.0	2.9	3.2	6.1
D.D	0.7	0.8	0.6	0.8	2.9	0.6	-0.1	0.5	0.5	1.0	1.1	2.1
C.C	0.8	0.7	0.8	1.5	3.8	0.4	-0.3	0.4	1.5	1.9	2.0	3.9
Trading	18.2	15.5	17.8	18.3	69.8	17.8	-0.4	16.5	17.0	33.5	36.6	70.1
Others	4.8	4.6	6.8	7.6	23.8	4.9	+0.1	4.9	5.4	10.3	13.1	23.4
Adjustment	-14.3	-12.3	-16.1	-15.8	-58.5	-19.5	-5.2	-23.8	-25.1	-48.9	-54.8	-103.7
Total	49.3	45.2	43.7	70.9	209.1	46.5	-2.8	40.0	36.5	76.5	96.0	172.5

(1) Including inter-segment sales/transfers

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

(3) FY2021 Actual & Outlook: including effects of changes in accounting policies (see p2, 5, 30)

(1Q Actual)

(vs. 1Q FY2020) Sales decrease (¥3.5 billion) due to changes in accounting policies

(vs. 1Q FY2021 Outlook as of May 2021)

Sales increase (¥5.5 billion) vs. expectations of changes in accounting policies (agent transactions)

FY2020-1Q FY2021 Quarterly OP by Segment (1)(2)

(¥billion)

	FY2020 Actual					FY2021 Actual		FY2021 Outlook as of May 2021				
	1Q (A)	2Q	3Q	4Q	Total	1Q (B)	Change (B) - (A)	1Q	2Q	1H	2H	Total
Chem	0.7	-0.8	0.7	0.9	1.5	1.3	+0.6	1.3	-0.3	1.0	1.4	2.4
Performance Materials	5.3	5.4	6.3	5.4	22.4	7.0	+1.7	5.5	6.1	11.6	12.2	23.8
Agro	4.0	3.8	-1.3	11.7	18.2	4.1	+0.1	3.8	2.0	5.8	11.8	17.6
Pharma	-0.1	0.1	0.0	0.4	0.4	-0.2	-0.1	-0.3	0.5	0.2	0.1	0.3
D.D	-0.2	-0.1	-0.4	-0.2	-0.9	-0.3	-0.1	-0.4	-0.3	-0.7	-0.8	-1.5
C.C	0.2	0.2	0.3	0.6	1.3	0.1	-0.1	0.1	0.8	0.9	0.9	1.8
Trading	0.7	0.5	0.7	0.6	2.5	0.7	0.0	0.5	0.6	1.1	1.1	2.2
Others	0.0	0.0	0.4	0.4	0.8	0.1	+0.1	0.0	0.0	0.0	0.7	0.7
Adjustment	-0.8	-0.8	-1.2	-0.5	-3.3	-1.1	-0.3	-1.0	-1.0	-2.0	-1.4	-3.4
Total	9.8	8.2	5.6	18.9	42.5	11.9	+2.1	9.8	7.9	17.7	25.9	43.6

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

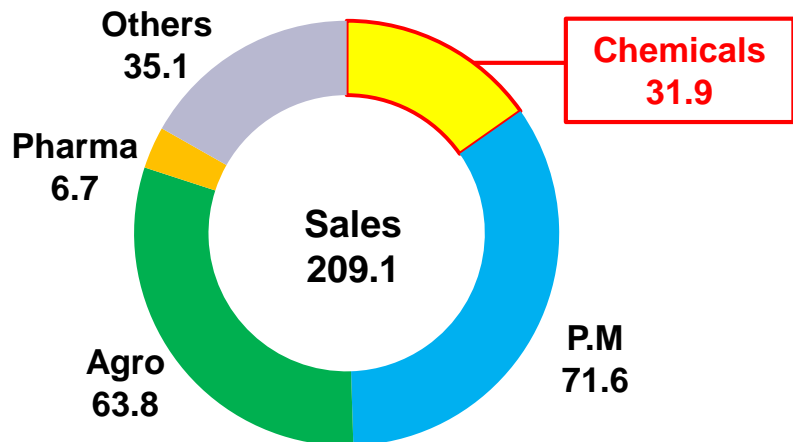
(2) FY2021 Actual & Outlook: including effects of changes in accounting policies (see p2, 5, 30)

(1Q Actual)

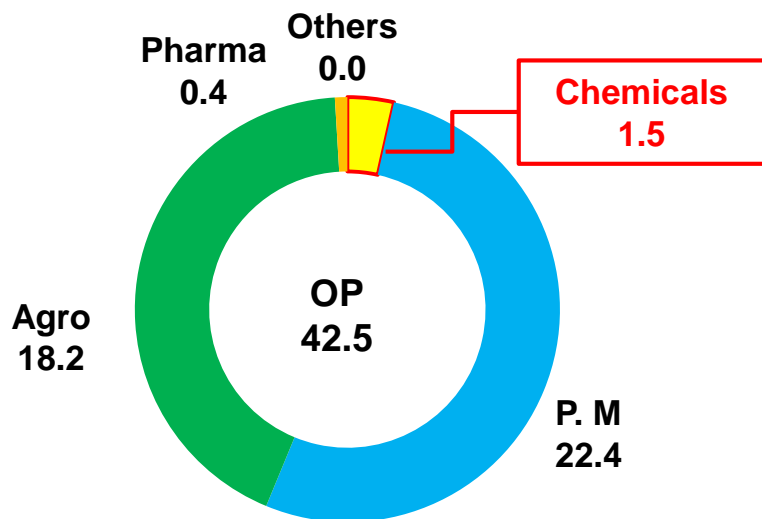
(vs. 1Q FY2020) OP increase (¥1.2 billion) due to changes in accounting policies

Chemicals – (A) Recent Financial Performance

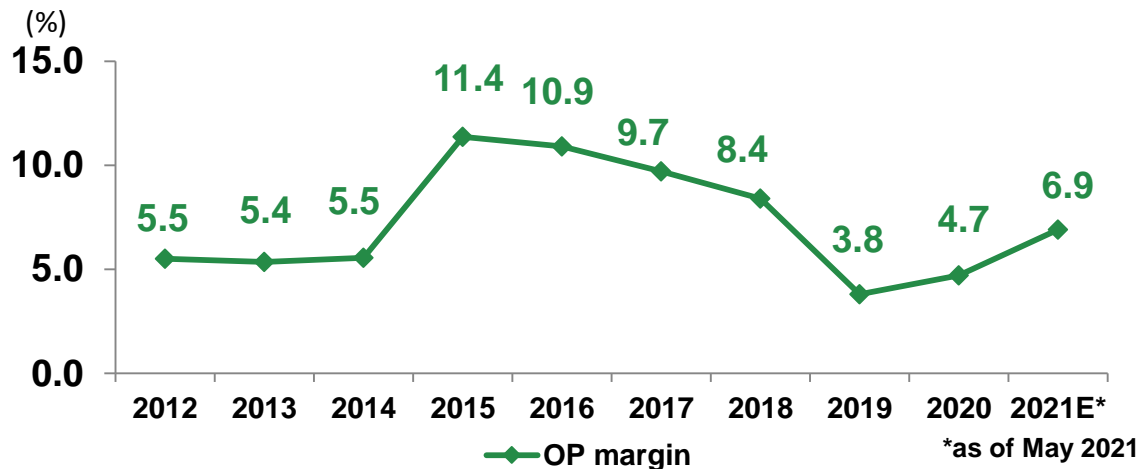
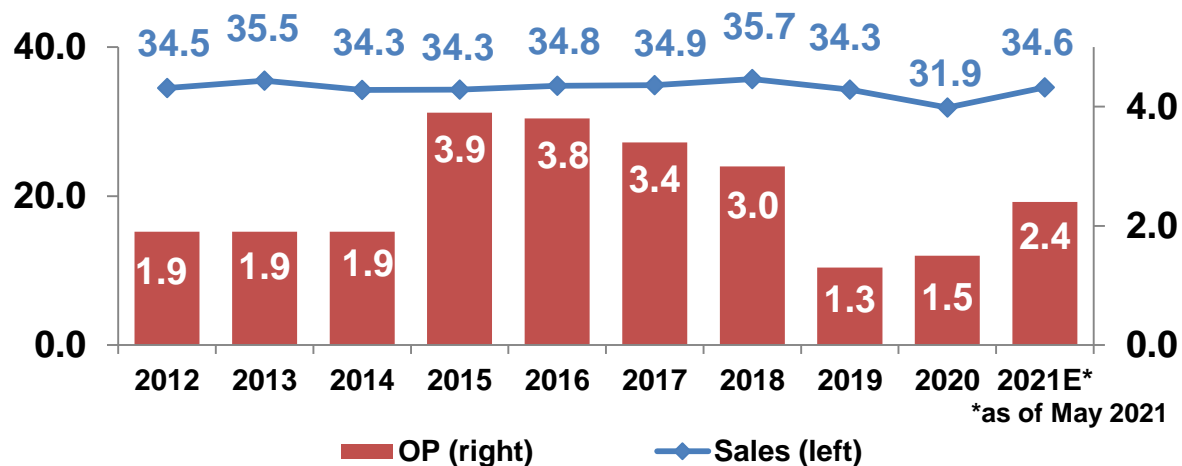
1. FY2020 Sales Distribution (¥billion)



2. FY2020 OP Distribution (¥billion)

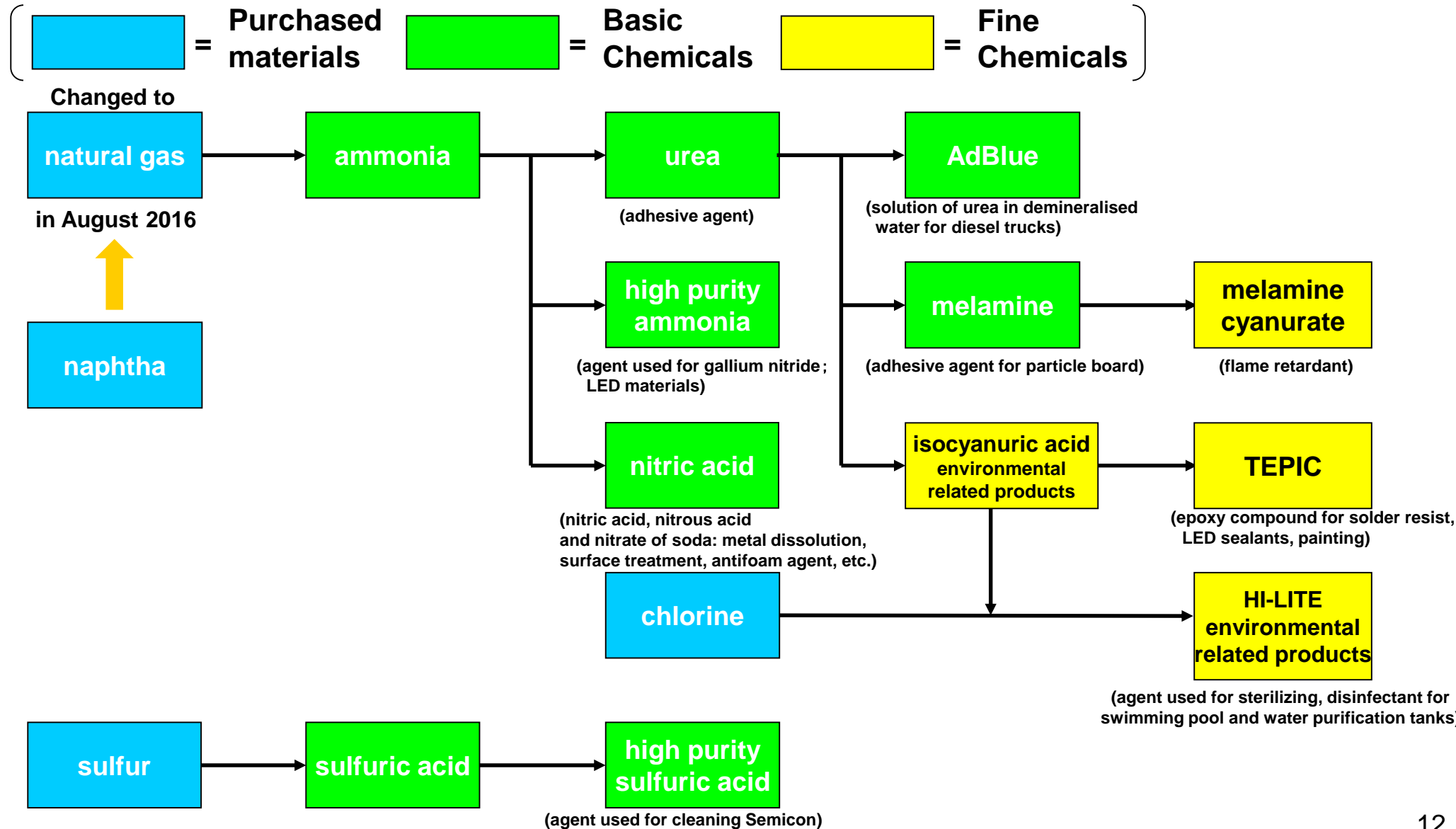


3. Recent Financial Performance (¥billion)



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

- ◆ Core products of Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2020 ammonia domestic production capacity share 11%, high percentage of self-consumption of ammonia



Chemicals – (C) Restructuring based on Shutdown of Melamine Plant (News released on August 10, 2021)

1. Chemicals business structure (see p12)

Group	Main products
Ammonia-related products	ammonia, urea/Adblue, high purity ammonia, melamine, nitric acid, isocyanuric acid, Hi-LITE, TEPIC, melamine cyanurate
Sulfuric acid-related products	sulfuric acid, purified sulfuric acid, high purity sulfuric acid
Others	FINEOXOCOL etc.

2. Sales・OP distribution

(¥billion)

	Total FY2018-2020	
	Sales	OP
Ammonia-related products	67.4 (66%)	0.7 (12%)
Sulfuric acid-related products	34.5 (34%)	5.1 (88%)
Others		
Total Chemicals	101.9(100%)	5.8(100%)

→

*Among ammonia-related products, melamine has the highest sales but is in the red
*Total profit of ammonia-related products other than melamine is in the black

3. Current status and prospects of melamine

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

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

4. Actions to be taken

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

5. Estimated PL effects of actions

- (1) Although related costs are being calculated, the effects would be minor as such costs will be compensated by gain on sales of investment securities. Those are not included in FY2021 Outlook announced on May 2021.
- (2) PL image of Chemicals segment in FY2023

(¥billion)

	FY2021 Outlook	Difference between FY2023 and FY2021 Outlook	FY2023 PL Image
		Effects of Melamine stop and countermeasures	
Sales	34.6	+1.6	36.2
OP	2.4	+1.0	3.4

6. ESG

By shutdown of melamine, 26,000 GHG (t-CO₂) or equivalent to about 7% of FY2018 GHG (see p29) estimated to be reduced 13

Chemicals – (D) 1Q FY2021 Sales & Profit Overview

<Sales Review>

<Profit Review>

(¥billion)

	1Q FY2021 Actual*	
	YOY	vs. Plan as of May 2021 (undisclosed)
TEPIC	+29%	above
Environmental related products	+23%	below
Total Fine Chem	+18%	in line
Melamine	+68%	above
Urea including AdBlue	+14%	in line
High purity sulfuric acid	+10%	in line
Nitric acid products	+20%	above
Total Basic Chem	+20%	above

2 products account for 77% of total consolidated subsegment sales (1Q FY2021)

4 products account for 56% of total consolidated subsegment sales (1Q FY2021)

	FY2020 Actual (A)	FY2021 Actual (B)	Change (B) - (A)	FY2021 Outlook as of May 2021
	1Q	1Q	1Q	1Q
Sales	7.4	8.8	+1.4	8.4
Fine	2.7	3.2	+0.5	3.2
Basic	4.7	5.6	+0.9	5.2
OP	0.7	1.3	+0.6	1.3

1Q FY2021 Review

<vs. 1Q FY2020>

(Fine)

- ◆ Sales up: TEPIC for general applications (export recovery), TEPIC for electronic materials (demand recovery for cars), environmental related products (isocyanuric acid capacity expansion completed)
- ◆ Sales up, OP up

(Basic)

- ◆ Sales up: melamine (domestic and export recovery), nitric acid products (demand recovery), urea/AdBlue (demand recovery), high purity sulfuric acid (for semis)
- ◆ Sales up, OP up

(Total)

- ◆ Sales up ¥1.4 billion, OP up ¥0.6 billion

1Q FY2021 Review

<vs. 1Q FY2021 Outlook as of May 2021>

(Fine)

- ◆ Sales above target: TEPIC for general applications
Sales below target: TEPIC for electronic materials, environmental related products
- ◆ Sales in line with target, OP below target

(Basic)

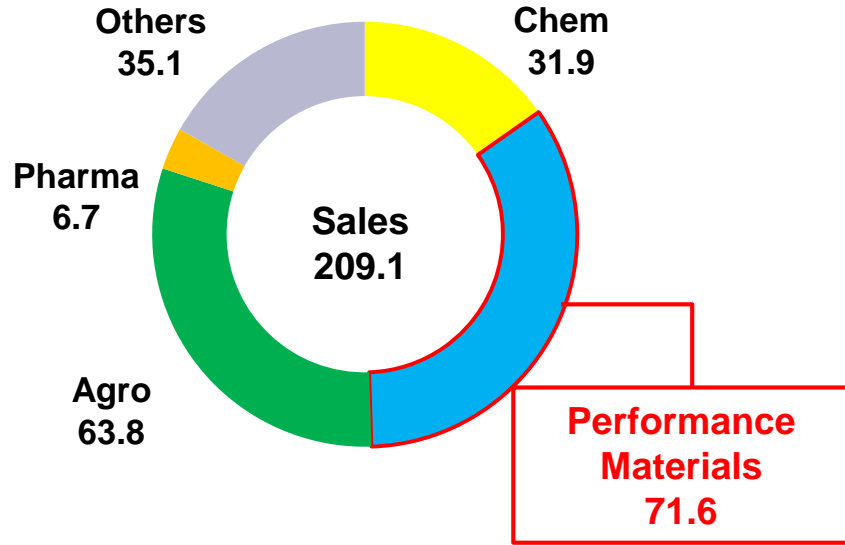
- ◆ Sales above target: melamine (export), nitric acid products
Sales in line with target: high purity sulfuric acid, urea/AdBlue
Sales below target: melamine (domestic)
- ◆ Sales above target, OP above target

(Total)

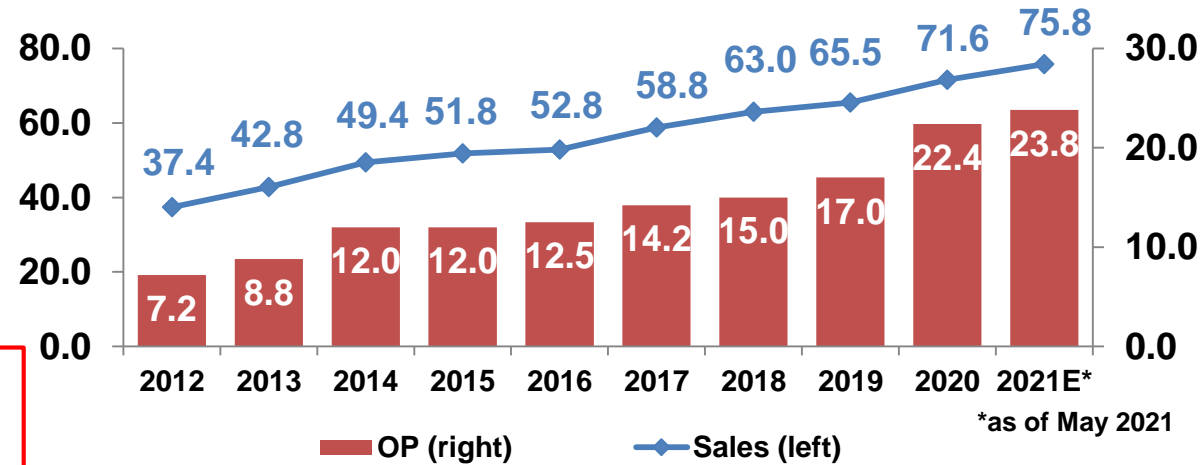
- ◆ Sales up ¥0.4 billion, OP in line with target

Performance Materials – (A) Recent Financial Performance

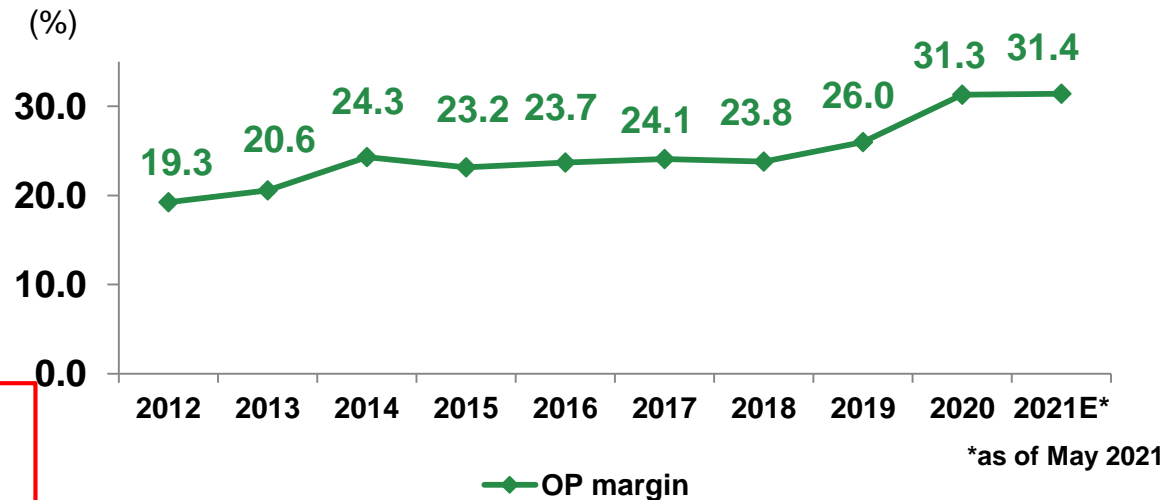
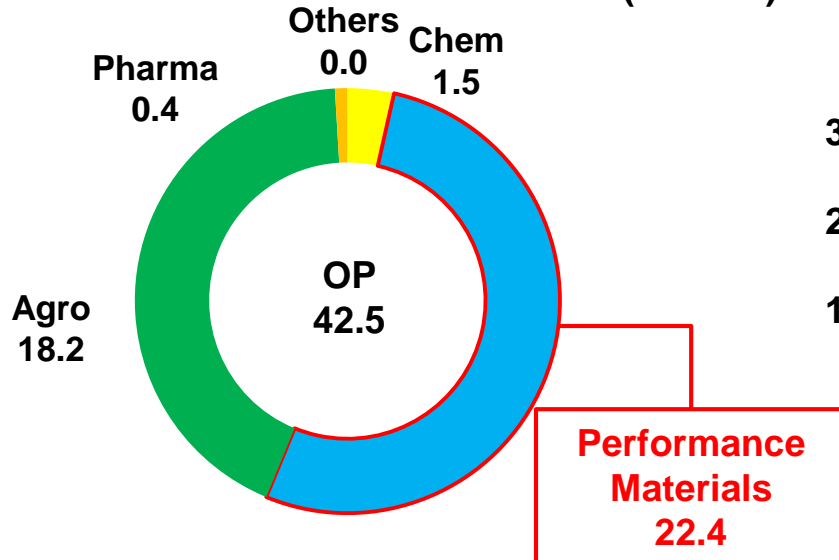
1. FY2020 Sales Distribution (¥billion)



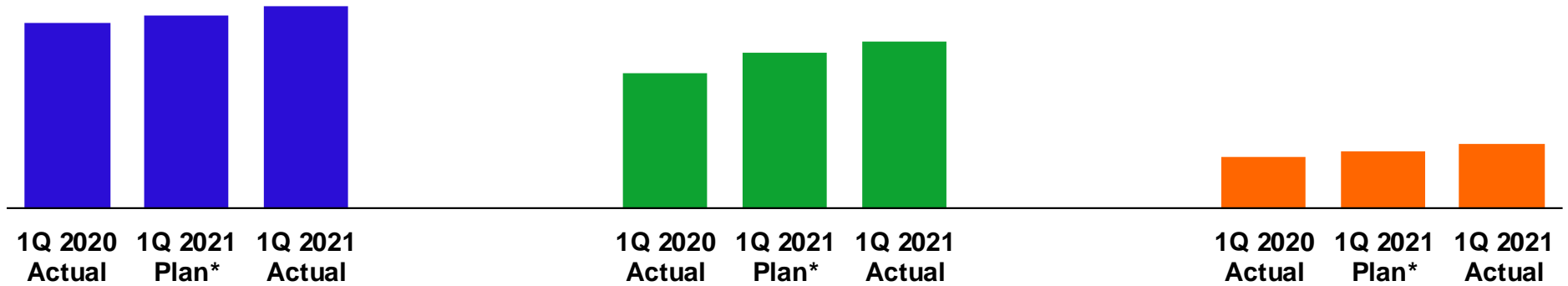
3. Recent Financial Performance (¥billion)



2. FY2020 OP Distribution (¥billion)



Performance Materials – (B) 1Q FY2021 Sales Distribution



*as of May 2021 (undisclosed)

< Display Materials >

SUNEVER : LCD alignment coating

< Semis Materials >

ARC® :Bottom anti-reflective coating for semis
Multi layer process materials (OptiStack®)

Other new materials:
EUV materials,
CMOS image sensor materials,
3D packaging process materials

< Inorganic >

SNOWTEX : Silica sol for:
polishing materials (silicon wafer, compound semiconductors, semiconductors CMP and etc.) and non-polishing 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 FY2021 Sales Review

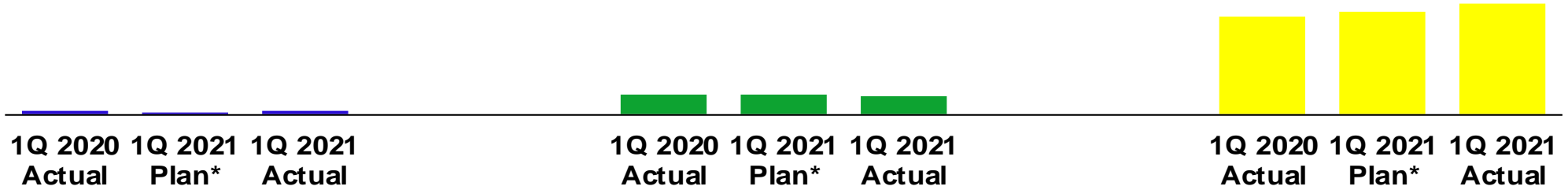
Main Products	1Q FY2021 Actual	
	YOY	vs. Plan as of May 2021 (undisclosed)
SUNEVER	+9%	above
Total Display Materials	+10%	above
KrF (ARC®)	+12%	above
ArF (ARC®)	+22%	above
Total ARC®	+19%	above
Other Semiconductors Materials (1)	+37%	above
Total Semiconductors Materials	+24%	above

Main Products	1Q FY2021 Actual	
	YOY	vs. Plan as of May 2021 (undisclosed)
SNOWTEX	+16%	above
Organo/Monomer Sol	+26%	above
Oilfield Materials	Over +1,600%	below
Total Inorganic Materials	+25%	above

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

Performance Materials – (D) SUNEVER

<SUNEVER Sales Distribution by Mode>



< TN ** >

Main applications : PC, Monitor

< VA ** >

TV

< IPS** >

Smartphone, Tablet, PC, Monitor

*as of May 2021 (undisclosed)

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

<SUNEVER Sales Review by Mode>

	1Q FY2021 Actual	
	YOY	vs. Plan as of May2021 (undisclosed)
TN	↘	above
VA	↘	below
IPS	↗ ↗	above
Total	+9%	above

YOY Change

+10~+19%	↗↗
+0~+9%	↗
-0~-9%	↘
-10~-19%	↘↘

Performance Materials – (E) 1Q FY2021 Sales & Profit Overview

	FY2020 Actual (A)	FY2021 Actual (B)	Change (B) - (A)	(¥billion) FY2021 Outlook as of May 2021
	1Q	1Q	1Q	1Q
Sales	17.1	20.0	+2.9	18.6
OP	5.3	7.0	+1.7	5.5

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

1Q FY2021 Review

<vs. 1Q FY2020>

- ◆ DP sales up, OP up
Photo IPS up (smartphone and non-smartphone up),
rubbing IPS down, VA down, TN down
Fixed cost up ¥0.2 billion
- ◆ Semis Materials sales up, OP up
ARC® up, other semis materials up (multi layer materials and
other new materials up)
Growing semis market
Fixed cost up ¥0.2 billion
- ◆ Inorganic Materials sales up, OP up
SNOWTEX up (non-polishing and polishing up)
Organo/Monomer Sol up
Oilfield materials up (recover of shale oil market)
Fixed cost up ¥0.2 billion
- ◆ Fixed cost up ¥0.6 billion in total
- ◆ Sales up ¥2.9 billion, OP up ¥1.7 billion

1Q FY2021 Review

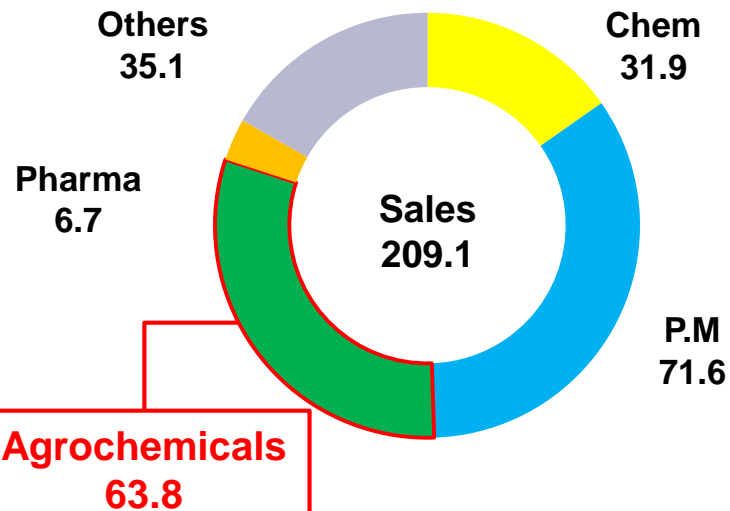
<vs. 1Q FY2021 Outlook as of May 2021>

- ◆ DP sales above target, OP above target
Photo IPS above target (smartphone and non-smartphone above target),
rubbing IPS above target, VA below target, TN above target
- ◆ Semis Materials sales above target, OP above target
ARC® above target, other semis materials above target
(multi layer materials and other new materials above target)
Growing semis market
Fixed cost below expectations (¥0.3 billion)
- ◆ Inorganic Materials sales above target, OP above target
SNOWTEX above target (non-polishing and polishing above target)
Organo/Monomer Sol above target
Oilfield materials below target
Fixed cost above expectations (¥0.1 billion)
- ◆ Fixed cost below expectations (¥0.2 billion) in total
- ◆ Sales up ¥1.4 billion, OP up ¥1.5 billion

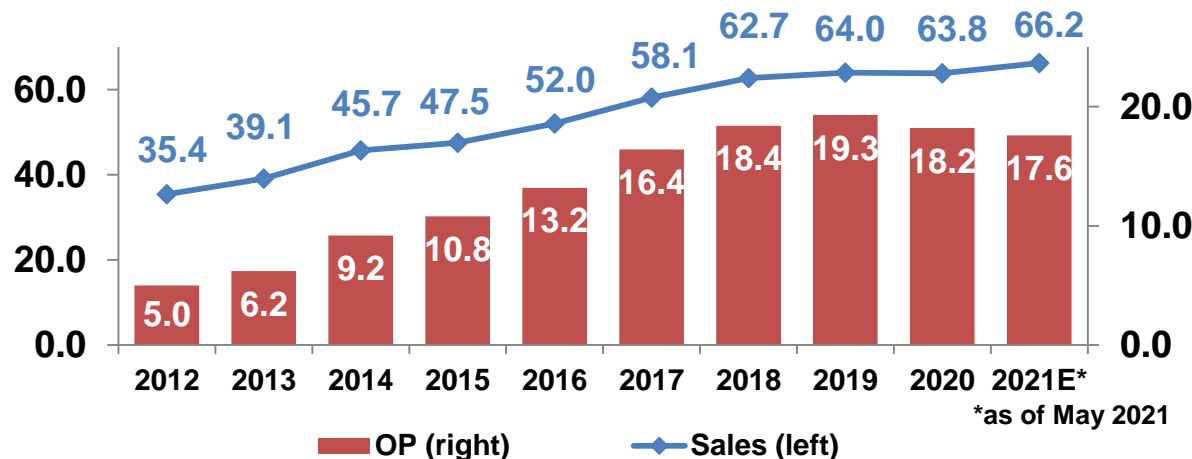
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Agrochemicals – (A) Recent Financial Performance

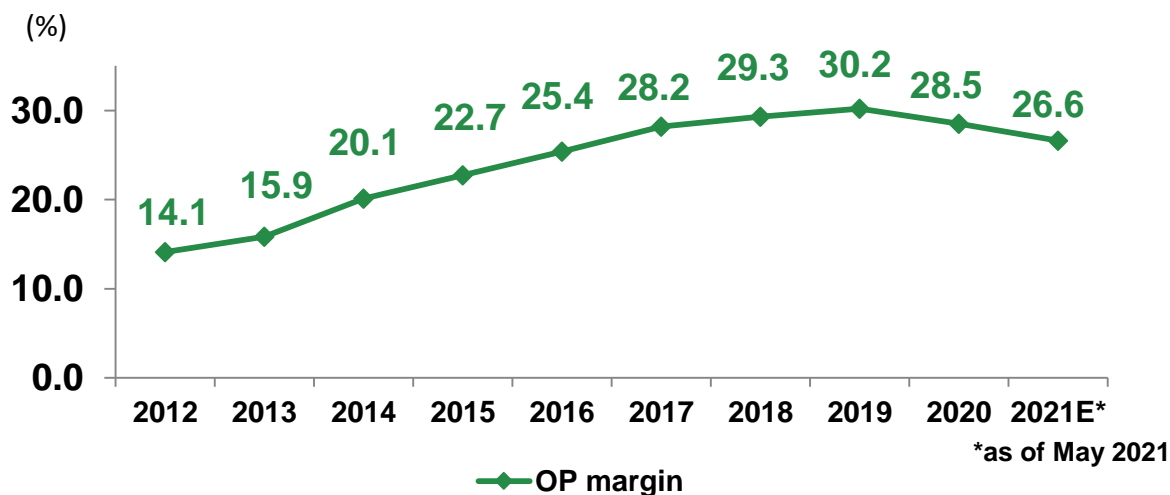
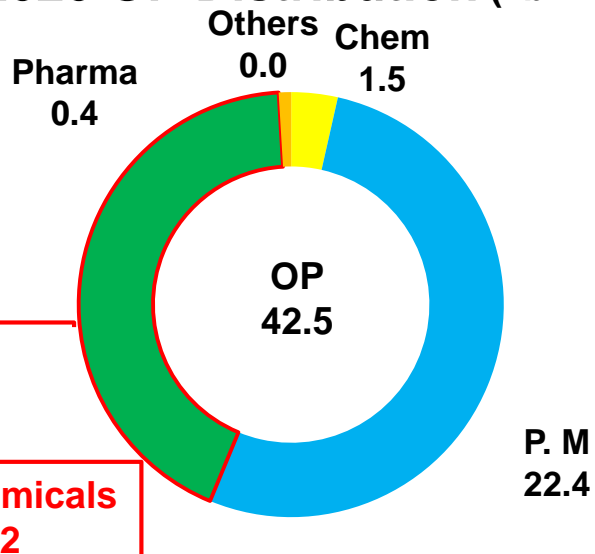
1. FY2020 Sales Distribution (¥billion)



3. Recent Financial Performance (¥billion)



2. FY2020 OP Distribution (¥billion)



Agrochemicals – (B) Sales Review (Before Discount)

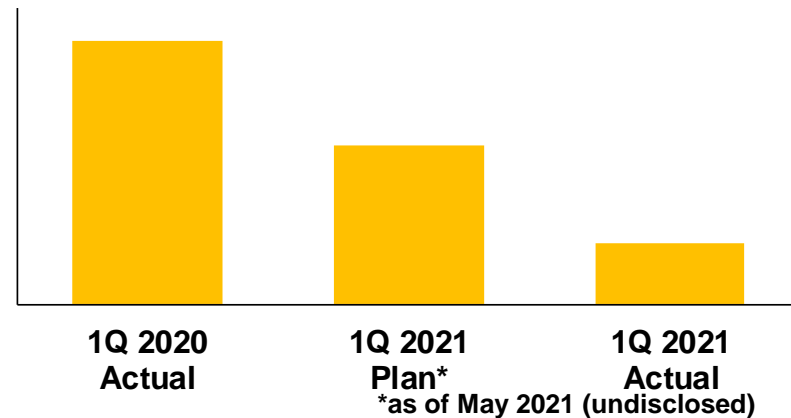
Main Products (in order of FY2020 sales amount)		1Q FY2021 Actual	
		YOY	vs. Plan as of May 2021 (undisclosed)
ROUNDUP (1)	Herbicide	0%	below
Fluralaner (2)	Animal health products	+45%	above
ALTAIR	Herbicide	-36%	below
TARGA	Herbicide	-27%	above
GRACIA	Insecticide	-77%	below
PERMIT	Herbicide	+5%	in line
LEIMAY	Fungicide	+55%	in line
QUINTEC	Fungicide	Over +400%	above
DITHANE	Fungicide	-	in line
Total segment	-	-1%	below

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

⇒ See presentation materials for the ROUNDUP business briefing held on January 22, 2020

https://www.nissanchem.co.jp/eng/news_release/release/en2020_01_24.pdf

◆ GRACIA Sales (1Q FY2021 Actual)



(1) ROUNDUP AL for general household accounting for 36% of 1Q FY2021 ROUNDUP sales

(2) 1Q FY2021 Actual & Outlook: including effects of changes in accounting policies (royalties increase) (see p2, 25)

Agrochemicals - (C) Recent Acquisitions of Agrochemical Products

◆QUINTEC (QUINOXYFEN)

- Acquired the QUINOXYFEN product line of fungicides including QUINTEC brand from Corteva in November 2019 and started to sell in December 2019
- Protective fungicide highly effective in controlling powdery mildew in fruits (especially grapes) and vegetables, mainly sold in USA

◆DITHANE (MANCOZEB)

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

<DITHANE Acquisition's estimated PL impact>

(¥billion)

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

Agrochemicals – (D-1) Fluralaner

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

◆ 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 more than 100 countries

- Compound patent

Fluralaner's compound patent expires in March 2025,
but many countries have a patent term extension system

- Some EU countries including UK, France, Germany – already extended to February 2029
- USA, etc. – applications under examination

◆ 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, July 2019 China
 - July 2020 monthly chews for puppies in USA
- Spot-on solution for dogs and cats
 - for cats: July 2016 EU, December 2016 USA, June 2018 Japan
 - for dogs: January 2017 USA, EU, January 2021 Japan

◆ BRAVECTO Plus

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

◆ EXZOLT

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



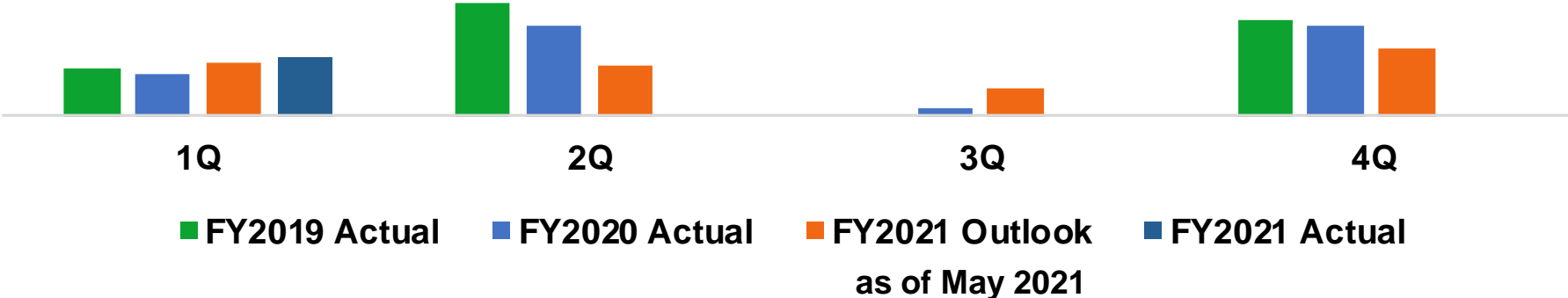
Agrochemicals – (D-2) Fluralaner

API*: Active Pharmaceutical Ingredient

◆ **NCC's Revenues**

Sales of Fluralaner to MSD as API* of BRAVECTO and EXZOLT products + Running royalties received from MSD

◆ **FY2019-FY2021 Fluralaner Quarterly Sales (including royalties)**



◆ **FY2021 sales: Revenue recognition policy changed (see p2)**

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

Agrochemicals – (E) 1Q FY2021 Sales & Profit Overview⁽¹⁾

	FY2020 Actual (A)	FY2021 Actual (B)	Change (B) - (A)	(¥billion) FY2021 Outlook as of May 2021
	1Q	1Q	1Q	1Q
Sales	14.6	13.4	-1.2	14.5
OP	4.0	4.1	+0.1	3.8

(1) FY2021 Actual & Outlook: including effects of changes in accounting policies
(Fluralaner royalties increase and sales discount cost increase) (see p2)

1Q FY2021 Review

<vs. 1Q FY2020>

- ◆ Sales up : Fluralaner
(royalties recognized due to changes in accounting policies),
DITHANE(sales start from 4Q FY2020), QUINTEC(export),
LEIMAY(export), PERMIT(export)
- ◆ Sales flat : ROUNDUP(ML down, AL up)
- ◆ Sales down: GRACIA(domestic, export), ALTAIR(domestic),
TARGA(export)
- ◆ Fixed cost up ¥0.1 billion
- ◆ Inventory adjustment cost down ¥0.3 billion
- ◆ Sales down ¥1.2 billion, OP up ¥0.1 billion
(sales up ¥1.2 billion, OP up ¥1.2 billion due to changes in
accounting policies)

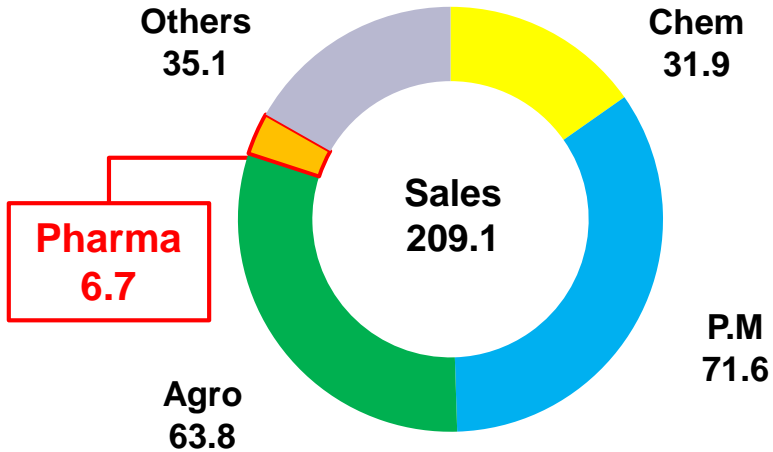
1Q FY2021 Review

<vs. 1Q FY2021 Outlook as of May 2021>

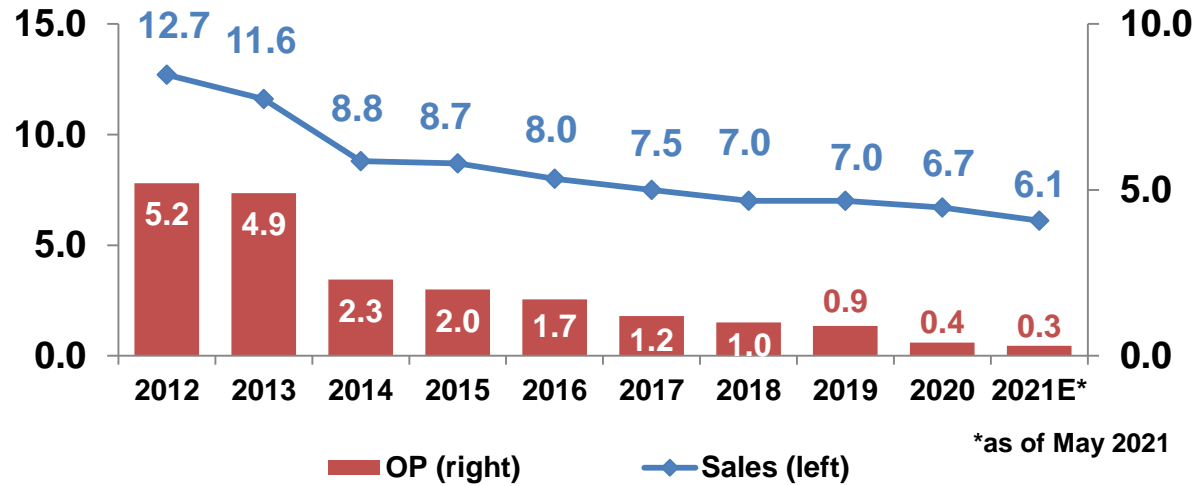
- ◆ Sales above target:
Fluralaner(royalties above target),
QUINTEC(export), TARGA(export)
- ◆ Sales in line with target: PERMIT, LEIMAY, DITHANE
- ◆ Sales below target:
ROUNDUP(ML), GRACIA(domestic), ALTAIR(domestic)
- ◆ Fixed cost below expectations (¥0.3 billion)
- ◆ Inventory adjustment cost below expectations (¥0.4 billion)
- ◆ Sales down ¥1.1 billion, OP up ¥0.3 billion

Pharmaceuticals – (A) Recent Financial Performance

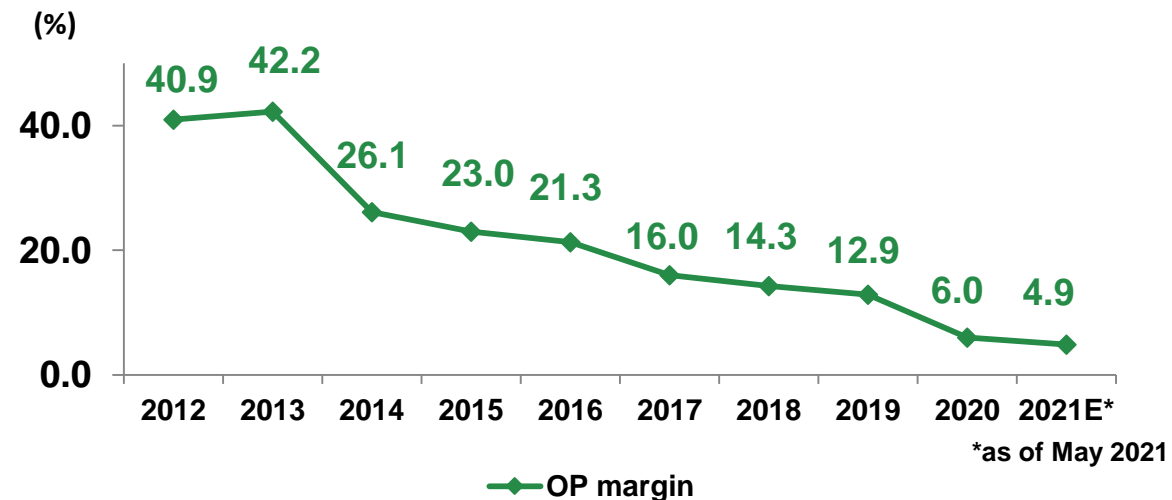
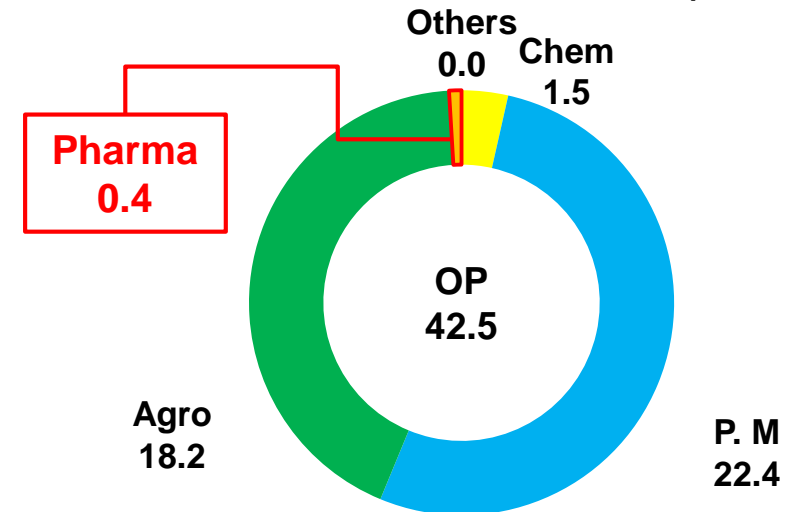
1. FY2020 Sales Distribution (¥billion)



3. Recent Financial Performance (¥billion)



2. FY2020 OP Distribution (¥billion)



Pharmaceuticals – (B) 1Q FY2021 Sales & Profit Overview

<Sales Review>

Pharma	1Q FY2021 Actual	
	YOY	vs. Plan as of May 2021 (undisclosed)
LIVALO	-18%	above
Custom Chemicals	-42%	above
Total segment	-29%	above

<Profit Review>⁽¹⁾

	FY2020 Actual (A)	FY2021 Actual (B)	Change (B) - (A)	FY2021 Outlook as of May 2021
	1Q	1Q	1Q	1Q
Sales	1.50	1.07	-0.43	0.89
D.D	0.74	0.63	-0.11	0.49
C.C	0.76	0.44	-0.32	0.40
OP	-0.07	-0.19	-0.12	-0.33
D.D	-0.22	-0.29	-0.07	-0.40
C.C	0.15	0.10	-0.05	0.07

(1) Figures in p9,10,31,32,33,34 may not match the numbers on this page due to rounding.

* D.D = Drug Discovery, C.C = Custom Chemicals

1Q FY2021 Review

<vs. 1Q FY2020>

- (D.D) ◆ LIVALO sales down (domestic sales up, export down)
◆ Sales down ¥0.11 billion, OP down ¥0.07 billion
- (C.C) ◆ Sales down
◆ Inventory valuation gain ¥0.1 billion (absence of inventory valuation loss recognized in 1Q FY2020)
◆ Sales down ¥0.32 billion, OP down ¥0.05 billion
- (Total) ◆ Sales down ¥0.43 billion, OP down ¥0.12 billion

1Q FY2021 Review

<vs. 1Q FY2021 Outlook as of May 2021>

- (D.D) ◆ LIVALO sales above target (domestic and export sales above target)
◆ Sales up ¥0.14 billion, OP up ¥0.11 billion
- (C.C) ◆ Sales above target
◆ Sales up ¥0.04 billion, OP up ¥0.03 billion
- (Total) ◆ Sales up ¥0.18 billion, OP up ¥0.14 billion

FY2019																															
April	<ul style="list-style-type: none"> Established Nomination and Remuneration Advisory Committee as an optional advisory body of the Board of Directors 																														
June	<ul style="list-style-type: none"> Introduced 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 includes 3 Outside Directors out of 9. 																														
January	<ul style="list-style-type: none"> NCC was selected as one of the 50 candidates among all listed companies of the FY2019 Corporate Value Improvement Award hosted by the Tokyo Stock Exchange for the 2nd consecutive year (FY2020 Award suspended) 																														
FY2020																															
June	<ul style="list-style-type: none"> NCC was selected as an inclusion in the S&P/JPX Carbon Efficient Index for the 2nd consecutive year 																														
August	<ul style="list-style-type: none"> NCC announced its support for recommendations of Task Force on Climate-related Financial Disclosures (TCFD) 																														
October	<ul style="list-style-type: none"> NCC won the 2020 Awards for Excellence in Corporate Disclosure in the chemicals and fiber sector, selected by Securities Analysts Association of Japan (SAAJ) 																														
November	<ul style="list-style-type: none"> NCC was selected as an inclusion in the Dow Jones Sustainability Asia Pacific Index for the 3rd consecutive year Published “Integrated Reports 2020” https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2020.pdf 																														
December	<ul style="list-style-type: none"> NCC was listed on Water Security “A List” for the 2nd consecutive year and Climate Change “A- List” for the first time by CDP 																														
January	<ul style="list-style-type: none"> NCC established new long-term target for reducing greenhouse gas (GHG) emissions Mid-term target in Vista2021 (FY2016-2021) : Reducing GHG emissions by 20% from FY2011 levels by FY2021 → Achieved 27% reduction in FY2019 compared to FY2011 New long-term target: Reducing GHG emissions by 30% from FY2018 levels by FY2030 GHG emissions (1,000t-CO2) <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>FY</th> <th>2011</th> <th>2018</th> <th>2019</th> <th>2021</th> <th>2030</th> </tr> </thead> <tbody> <tr> <td>Mid-term target in Vista2021</td> <td>-</td> <td>-</td> <td>-</td> <td>359</td> <td>-</td> </tr> <tr> <td>Actual</td> <td>448</td> <td>363</td> <td>327</td> <td>-</td> <td>-</td> </tr> <tr> <td>New long-term target</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>254</td> </tr> <tr> <td>Average of 5 major Japanese chemical companies</td> <td>-</td> <td>-</td> <td>5,069</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	FY	2011	2018	2019	2021	2030	Mid-term target in Vista2021	-	-	-	359	-	Actual	448	363	327	-	-	New long-term target	-	-	-	-	254	Average of 5 major Japanese chemical companies	-	-	5,069	-	-
FY	2011	2018	2019	2021	2030																										
Mid-term target in Vista2021	-	-	-	359	-																										
Actual	448	363	327	-	-																										
New long-term target	-	-	-	-	254																										
Average of 5 major Japanese chemical companies	-	-	5,069	-	-																										
FY2021																															
April	<ul style="list-style-type: none"> Announced its Diversity Statement and Diversity Vision 																														
June	<ul style="list-style-type: none"> One female Outside Director added, as a result, the Board of Directors includes 4 Outside Directors out of 10 																														
July	<ul style="list-style-type: none"> NCC was selected as a constituent of FTSE4Good Index Series and FTSE Blossom Japan Index for 2nd consecutive years 																														
FY2022																															
June	<ul style="list-style-type: none"> Plan to reduce GHG emissions by melamine production stop (26,000 tons, equivalent to about 7% of FY2018) 																														

Full Year FY2021 Outlook as of May 2021(no revision afterwards) ⁽¹⁾

FY2020 Actual	FY2020 Actual					FY2021 Outlook					Change					Change (%)	
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	Total	
(¥billion)																	
Sales	49.3	45.2	94.5	114.6	209.1	40.0	36.5	76.5	96.0	172.5	-9.3	-8.7	-18.0	-18.6	-36.6	-18%	
Operating Profit	9.8	8.2	18.0	24.5	42.5	9.8	7.9	17.7	25.9	Record 43.6	0.0	-0.3	-0.3	+1.4	+1.1	+3%	
Non-Operating Income/Expenses	0.6	-0.4	0.2	1.2	1.4	0.4	-0.1	0.3	1.0	1.3	-0.2	+0.3	+0.1	-0.2	-0.1	-	
Ordinary Income	10.4	7.8	18.2	25.7	43.9	10.2	7.8	18.0	26.9	Record 44.9	-0.2	0.0	-0.2	+1.2	+1.0	+2%	
Extraordinary Income/Loss (2)	0.0	1.1	1.1	0.5	1.6	0.0	1.0	1.0	0.6	1.6	0.0	-0.1	-0.1	+0.1	0.0	-	
Net Income (3)	7.6	6.3	13.9	19.6	33.5	7.5	6.5	14.0	20.1	Record 34.1	-0.1	+0.2	+0.1	+0.5	+0.6	+2%	
EBITDA (4)	12.1	10.7	22.8	30.2	53.0	-	-	22.7	32.0	54.7	-	-	-0.1	+1.8	+1.7	+3%	
EPS (¥/share)	52.38	43.58	95.96	135.77	231.73	-	-	98.03	141.15	239.18	-	-	+2.07	+5.38	+7.45	+3%	
Dividend (¥/share)	-	-	46	58	104	-	-	48	60	108	-	-	+2	+2	+4		
Total amount of Dividend	-	-	6.6	8.4	15.0	-	-	6.8	8.6	15.4	-	-	+0.2	+0.2	+0.4		
OP Margin	19.9%	18.1%	19.0%	21.4%	20.3%	24.5%	21.6%	23.1%	27.0%	25.3%	+4.6%	+3.5%	+4.1%	+5.6%	+5.0%		
ROE	-	-	-	-	17.5%	-	-	-	-	17.0%						-0.5%	
FX Rate (¥/\$)	108	106	107	105	106	107	107	107	107	107							
Crude Oil (JCC) (\$/bbl) (5)	31	41	36	50	43	55	55	55	55	55							

(1) FY2021 Outlook: Major effects of changes in accounting policies (see p2)(figures are Outlook announced on May 14, 2021) :

(a) Impact of agent transactions: 1H ¥-20.6 B, 2H ¥-24.0 B, total ¥-44.6 B (reflected in sales above, included in adjustment in segment sales info)

Impact of sales discount: 1H ¥-1.0 B, 2H ¥+1.0 B, total flat (reflected in sales above, included in Agro segment sales)

Total: 1H ¥-21.6 B, 2H ¥-23.0 B, total ¥-44.6 B

(b) OP and Ordinary Income: 1H ¥-1.0 B, 2H ¥+1.0 B, total flat (Agrochemicals)

(c) Net Income: 1H ¥-0.7 B, 2H ¥+0.7 B, total flat

(2) FY2021 Outlook: Gain on sales of investment securities ¥1.6 B

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

(4) EBITDA = Operating Profit + Depreciation and amortization

(5) FY2020 Actual: Based on Trade Statistics of Japan Ministry of Finance

FY2017 – 1Q FY2021 Quarterly Sales by Segment (1)(2)(3)

(¥billion)

	FY2017 Actual					FY2018 Actual					FY2019 Actual					FY2020 Actual					FY2021 Actual
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	8.8	7.9	9.2	9.0	34.9	8.7	8.3	9.6	9.1	35.7	8.4	8.4	8.7	8.8	34.3	7.4	7.3	8.3	8.9	31.9	8.8
Fine	2.8	2.5	2.8	2.5	10.6	2.7	2.4	2.6	2.7	10.4	2.6	2.6	2.6	2.7	10.5	2.7	2.7	2.8	3.2	11.4	3.2
Basic	6.0	5.4	6.4	6.5	24.3	6.0	5.9	7.0	6.4	25.3	5.8	5.8	6.1	6.1	23.8	4.7	4.6	5.5	5.7	20.5	5.6
P.M	14.1	15.0	15.1	14.6	58.8	15.6	16.4	16.6	14.4	63.0	15.1	16.3	17.0	17.1	65.5	17.1	17.5	19.2	17.8	71.6	20.0
Agro	14.6	11.5	6.4	25.6	58.1	16.4	12.3	5.9	28.1	62.7	14.7	13.2	5.5	30.6	64.0	14.6	11.1	6.3	31.8	63.8	13.4
Pharma	2.1	1.4	2.3	1.7	7.5	1.8	1.9	1.9	1.4	7.0	1.9	1.5	1.6	2.0	7.0	1.5	1.5	1.4	2.3	6.7	1.1
D.D	-	-	-	-	-	-	-	-	-	-	1.4	0.7	0.9	1.0	4.1	0.7	0.8	0.6	0.8	2.9	0.6
C.C	-	-	-	-	-	-	-	-	-	-	0.5	0.8	0.6	1.0	2.9	0.8	0.7	0.8	1.5	3.8	0.4
Trading	14.6	14.5	15.9	14.5	59.5	17.8	15.6	18.1	16.4	67.9	17.5	15.8	17.5	17.1	67.9	18.2	15.5	17.8	18.3	69.8	17.8
Others	5.4	4.3	4.6	7.2	21.5	4.6	5.9	7.2	6.9	24.6	4.9	4.9	5.1	7.5	22.4	4.8	4.6	6.8	7.6	23.8	4.9
Adj.	-12.2	-11.0	-11.8	-11.9	-46.9	-14.0	-13.3	-15.4	-13.3	-56.0	-13.8	-12.3	-13.9	-14.3	-54.3	-14.3	-12.3	-16.1	-15.8	-58.5	-19.5
Total	47.4	43.6	41.7	60.7	193.4	50.9	47.1	43.9	63.0	204.9	48.7	47.8	41.5	68.8	206.8	49.3	45.2	43.7	70.9	209.1	46.5

(1) Including inter-segment sales/transfers

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

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

FY2017 – 1Q FY2021 Quarterly OP by Segment (1)(2)

(¥billion)

	FY2017 Actual (Old method)					FY2018 Actual (Old method)					FY2019 Actual (New method)					FY2020 Actual (New method)					FY2021 Actual (Newmethod)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Chem	1.5	-0.2	1.2	0.9	3.4	1.6	-0.4	1.0	0.8	3.0	0.9	-0.6	0.5	0.5	1.3	0.7	-0.8	0.7	0.9	1.5	1.3
P.M	3.6	4.1	4.0	2.5	14.2	3.9	4.2	4.3	2.6	15.0	4.0	4.4	4.7	3.9	17.0	5.3	5.4	6.3	5.4	22.4	7.0
Agro	4.5	3.6	-0.6	8.9	16.4	5.1	4.7	-1.3	9.9	18.4	4.5	4.9	-1.8	11.7	19.3	4.0	3.8	-1.3	11.7	18.2	4.1
Pharma	0.5	0.0	0.6	0.1	1.2	0.3	0.3	0.4	0.0	1.0	0.4	0.1	0.1	0.3	0.9	-0.1	0.1	0.0	0.4	0.4	-0.2
D.D	-	-	-	-	-	-	-	-	-	-	0.2	-0.2	-0.2	0.0	-0.1	-0.2	-0.1	-0.4	-0.2	-0.9	-0.3
C.C	-	-	-	-	-	-	-	-	-	-	0.2	0.3	0.2	0.4	1.1	0.2	0.2	0.3	0.6	1.3	0.1
Trading	0.4	0.5	0.5	0.4	1.8	0.6	0.5	0.6	0.3	2.0	0.5	0.5	0.6	0.5	2.1	0.7	0.5	0.7	0.6	2.5	0.7
Others	0.1	0.1	0.1	0.3	0.6	0.1	0.1	0.2	0.5	0.9	0.1	0.0	0.1	0.5	0.7	0.0	0.0	0.4	0.4	0.8	0.1
Adj.	-0.6	-0.8	-0.7	-0.5	-2.6	-0.9	-0.7	-0.8	-0.8	-3.2	-1.1	-0.6	-0.7	-0.3	-2.7	-0.8	-0.8	-1.2	-0.5	-3.3	-1.1
Total	10.0	7.3	5.1	12.6	35.0	10.7	8.7	4.4	13.3	37.1	9.3	8.7	3.5	17.1	38.6	9.8	8.2	5.6	18.9	42.5	11.9

(1) (1) FY2019-2021 : New OP method

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

2. FY2019 restated based on new methods

3. Consolidation items

(such as unrealized gain on inventories)

- (Old method) Included in each segment

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

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

FY2021 Sales Outlook by Segment as of May 2021(no revision afterwards) (1)(2)(3)

(¥billion)

	FY2020 Actual					FY2021 Outlook					Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chem	7.4	7.3	14.7	17.2	31.9	8.4	8.3	16.7	17.9	34.6	+1.0	+1.0	+2.0	+0.7	+2.7
Fine	2.7	2.7	5.4	6.0	11.4	3.2	3.1	6.3	6.6	12.9	+0.5	+0.4	+0.9	+0.6	+1.5
Basic	4.7	4.6	9.3	11.2	20.5	5.2	5.2	10.4	11.3	21.7	+0.5	+0.6	+1.1	+0.1	+1.2
P.M	17.1	17.5	34.6	37.0	71.6	18.6	18.6	37.2	38.6	75.8	+1.5	+1.1	+2.6	+1.6	+4.2
Agro	14.6	11.1	25.7	38.1	63.8	14.5	10.3	24.8	41.4	66.2	-0.1	-0.8	-0.9	+3.3	+2.4
Pharma	1.5	1.5	3.0	3.7	6.7	0.9	2.0	2.9	3.2	6.1	-0.6	+0.5	-0.1	-0.5	-0.6
D.D	0.7	0.8	1.5	1.4	2.9	0.5	0.5	1.0	1.1	2.1	-0.3	-0.3	-0.5	-0.2	-0.7
C.C	0.8	0.7	1.5	2.3	3.8	0.4	1.5	1.9	2.0	3.9	-0.4	+0.8	+0.4	-0.3	+0.2
Trading	18.2	15.5	33.7	36.1	69.8	16.5	17.0	33.5	36.6	70.1	-1.7	+1.5	-0.2	+0.5	+0.3
Others	4.8	4.6	9.4	14.4	23.8	4.9	5.4	10.3	13.1	23.4	+0.1	+0.8	+0.9	-1.3	-0.4
Adjustment	-14.3	-12.3	-26.6	-31.9	-58.5	-23.8	-25.1	-48.9	-54.8	-103.7	-9.5	-12.8	-22.3	-22.9	-45.2
Total	49.3	45.2	94.5	114.6	209.1	40.0	36.5	76.5	96.0	172.5	-9.3	-8.7	-18.0	-18.6	-36.6

(1) Including inter-segment sales/transfers

(2) FY2021 Outlook: including sales decrease due to changes in accounting policies (see p2, 30)

(3) In the Pharmaceuticals segment, figures are rounded to the nearest 100 million yen.

Accordingly, some discrepancies may occur among totals.

FY2021 OP Outlook by Segment as of May 2021(no revision afterwards) (1)(2)

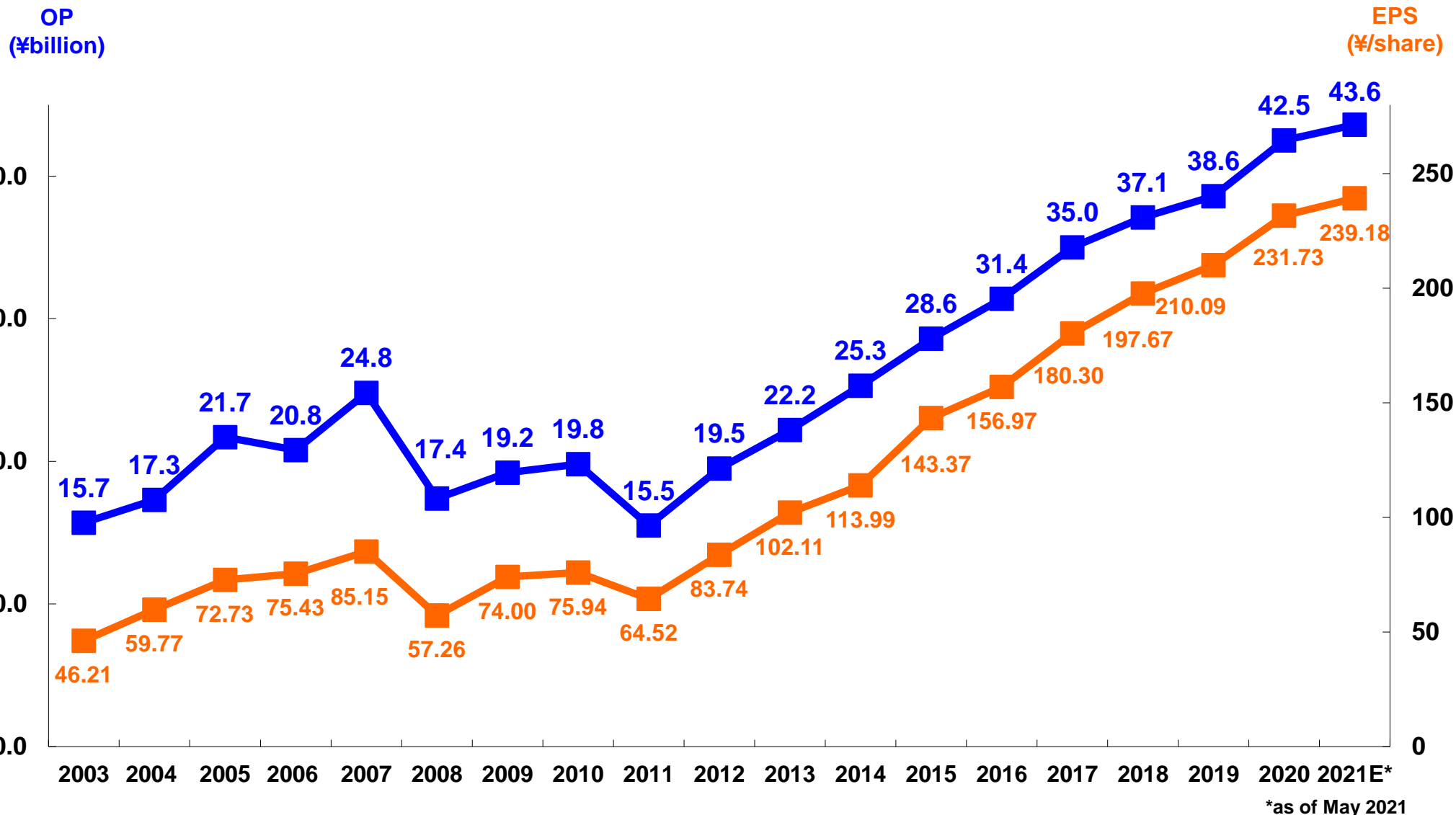
(¥billion)

	FY2020 Actual					FY2021 Outlook					Change				
	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total	1Q	2Q	1H	2H	Total
Chem	0.7	-0.8	-0.1	1.6	1.5	1.3	-0.3	1.0	1.4	2.4	+0.6	+0.5	+1.1	-0.2	+0.9
Performance Materials	5.3	5.4	10.7	11.7	22.4	5.5	6.1	11.6	12.2	23.8	+0.2	+0.7	+0.9	+0.5	+1.4
Agro	4.0	3.8	7.8	10.4	18.2	3.8	2.0	5.8	11.8	17.6	-0.2	-1.8	-2.0	+1.4	-0.6
Pharma	-0.1	0.1	0.0	0.4	0.4	-0.3	0.5	0.2	0.1	0.3	-0.2	+0.4	+0.2	-0.3	-0.1
D.D	-0.2	-0.1	-0.4	-0.6	-0.9	-0.4	-0.3	-0.7	-0.8	-1.5	-0.2	-0.2	-0.4	-0.2	-0.6
C.C	0.2	0.2	0.4	0.9	1.3	0.1	0.8	0.9	0.9	1.8	-0.1	+0.6	+0.5	0.0	+0.5
Trading	0.7	0.5	1.2	1.3	2.5	0.5	0.6	1.1	1.1	2.2	-0.2	+0.1	-0.1	-0.2	-0.3
Others	0.0	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.7	0.7	0.0	0.0	0.0	-0.1	-0.1
Adjustment	-0.8	-0.8	-1.6	-1.7	-3.3	-1.0	-1.0	-2.0	-1.4	-3.4	-0.2	-0.2	-0.4	+0.3	-0.1
Total	9.8	8.2	18.0	24.5	42.5	9.8	7.9	17.7	25.9	43.6	0.0	-0.3	-0.3	+1.4	+1.1

(1) FY2021 Outlook: including effects of changes in accounting policies (see p2, 30)

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

Long-term Financial Performance Trend



Long Term Financial Performance Trend (1)

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E*
Sales	155.9	161.4	169.1	174.4	169.2	160.2	149.0	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	172.5
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	38.6	42.5	43.6
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5	23.7	26.4	29.5	31.7	36.2	39.1	40.0	43.9	44.9
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9	16.7	18.2	22.4	24.0	27.1	29.4	30.8	33.5	34.1
EBITDA	26.1	26.9	31.6	30.5	34.5	27.6	30.1	30.3	25.9	29.1	30.8	33.8	38.3	40.3	45.5	48.0	49.2	53.0	54.7
OP Margin	10.0%	10.7%	12.8%	12.0%	14.6%	10.9%	12.8%	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	25.3%
ROE	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%	12.7%	12.7%	14.6%	15.1%	16.1%	16.6%	16.9%	17.5%	17.0%
EPS(¥/share)	46.21	59.77	72.73	75.43	85.15	57.26	74.00	75.94	64.52	83.74	102.11	113.99	143.37	156.97	180.30	197.67	210.09	231.73	239.18
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	44	52	68	82	90	104	108
Dividend Payout Ratio	23.8%	18.4%	20.6%	26.5%	23.5%	38.4%	32.4%	31.6%	37.2%	31.0%	29.4%	31.6%	30.7%	33.1%	37.7%	41.5%	42.8%	44.9%	45.2%
Share Repurchase	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	7.0
Total Assets	172.6	169.4	183.2	177.3	172.7	172.3	181.4	183.4	190.1	199.2	208.0	223.9	228.2	231.7	246.0	247.0	249.5	265.5	-
Net Assets	70.4	80.0	93.6	99.3	101.2	96.8	107.7	112.4	119.6	126.7	137.8	151.3	156.9	163.7	176.4	182.1	185.5	200.6	-
Cash	5.9	4.3	8.5	11.0	7.6	9.7	14.8	21.1	27.9	31.9	30.8	31.3	35.3	35.7	37.7	36.2	30.6	32.4	-
Liabilities with Interest	57.4	44.6	41.5	32.4	34.4	45.5	42.1	39.9	38.9	38.1	36.1	35.1	33.1	30.8	28.6	26.6	24.6	22.7	-
Equity Ratio	40.1%	46.4%	50.2%	55.3%	58.0%	55.5%	58.7%	60.7%	62.4%	63.0%	65.7%	66.9%	68.1%	69.9%	71.0%	73.0%	73.7%	74.9%	-
Capex	6.6	6.6	9.2	12.1	10.9	13.9	10.1	9.6	8.3	7.9	8.8	9.8	10.2	14.3	13.7	9.9	15.7	15.8	13.4
Depreciation	10.4	9.6	9.9	9.7	9.7	10.2	11.0	10.4	10.5	9.5	8.5	8.5	9.7	8.9	10.5	10.9	10.5	10.4	10.9
R&D Expenses	8.7	8.6	9.2	9.9	12.5	13.7	13.1	12.6	13.6	13.7	14.2	15.0	15.8	16.1	17.2	17.8	17.2	16.5	16.8
R&D Expenses/Sales	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%	8.7%	8.7%	8.9%	8.9%	8.9%	8.7%	8.3%	7.9%	9.8%

(1) 2021E: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2, 30)

*as of May 2021

Sales and OP by Segment (1)(2)(3)(4)

<Sales (A)>

(¥billion)

*as of May 2021

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021E*
Chem	38.1	36.9	34.5	35.5	34.3	34.3	34.8	34.9	35.7	34.3	31.9	34.6
P.M	38.0	34.0	37.4	42.8	49.4	51.8	52.8	58.8	63.0	65.5	71.6	75.8
Agro	34.4	33.8	35.4	39.1	45.7	47.5	52.0	58.1	62.7	64.0	63.8	66.2
Pharma	9.6	10.0	12.7	11.6	8.8	8.7	8.0	7.5	7.0	7.0	6.7	6.1
Trading	44.1	44.8	46.6	50.7	54.4	55.6	55.2	59.5	67.9	67.9	69.8	70.1
Others	27.0	20.0	21.2	21.4	20.9	20.9	24.0	21.5	24.6	22.4	23.8	23.4
Adj.	-37.0	-30.9	-34.0	-37.4	-42.3	-41.9	-46.5	-46.9	-56.0	-54.3	-58.5	-103.7
Total	154.2	148.6	153.8	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	172.5

<Segment Assets (D)>

FY2020
30.8
51.0
82.8
9.6
26.2
12.8
52.3
265.5

<OP (B)>

Chem	2.4	1.6	1.9	1.9	1.9	3.9	3.8	3.4	3.0	1.3	1.5	2.4
P.M	7.9	4.8	7.2	8.8	12.0	12.0	12.5	14.2	15.0	17.0	22.4	23.8
Agro	4.8	4.4	5.0	6.2	9.2	10.8	13.2	16.4	18.4	19.3	18.2	17.6
Pharma	4.4	4.6	5.2	4.9	2.3	2.0	1.7	1.2	1.0	0.9	0.4	0.3
Trading	1.4	1.3	1.4	1.5	1.7	1.8	1.7	1.8	2.0	2.1	2.5	2.2
Others	1.0	0.3	0.7	0.8	0.6	0.5	1.0	0.6	0.9	0.7	0.8	0.7
Adj.	-2.1	-1.5	-1.9	-1.9	-2.4	-2.4	-2.5	-2.6	-3.2	-2.7	-3.3	-3.4
Total	19.8	15.5	19.5	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	43.6

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

Chem	6.3%	4.3%	5.5%	5.4%	5.5%	11.4%	10.9%	9.7%	8.4%	3.8%	4.7%	6.9%
P.M	20.8%	14.1%	19.3%	20.6%	24.3%	23.2%	23.7%	24.1%	23.8%	26.0%	31.3%	31.4%
Agro	14.0%	13.0%	14.1%	15.9%	20.1%	22.7%	25.4%	28.2%	29.3%	30.2%	28.5%	26.6%
Pharma	45.8%	46.0%	40.9%	42.2%	26.1%	23.0%	21.3%	16.0%	14.3%	12.9%	6.0%	4.9%
Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	2.9%	3.1%	3.6%	3.1%
Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%	4.2%	2.8%	3.7%	3.1%	3.4%	3.0%
Total	12.9%	10.4%	12.7%	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	25.3%

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

4.9%
43.9%
22.0%
4.2%
9.5%
6.3%
16.0%

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

(2) Including inter-segment sales/transfers

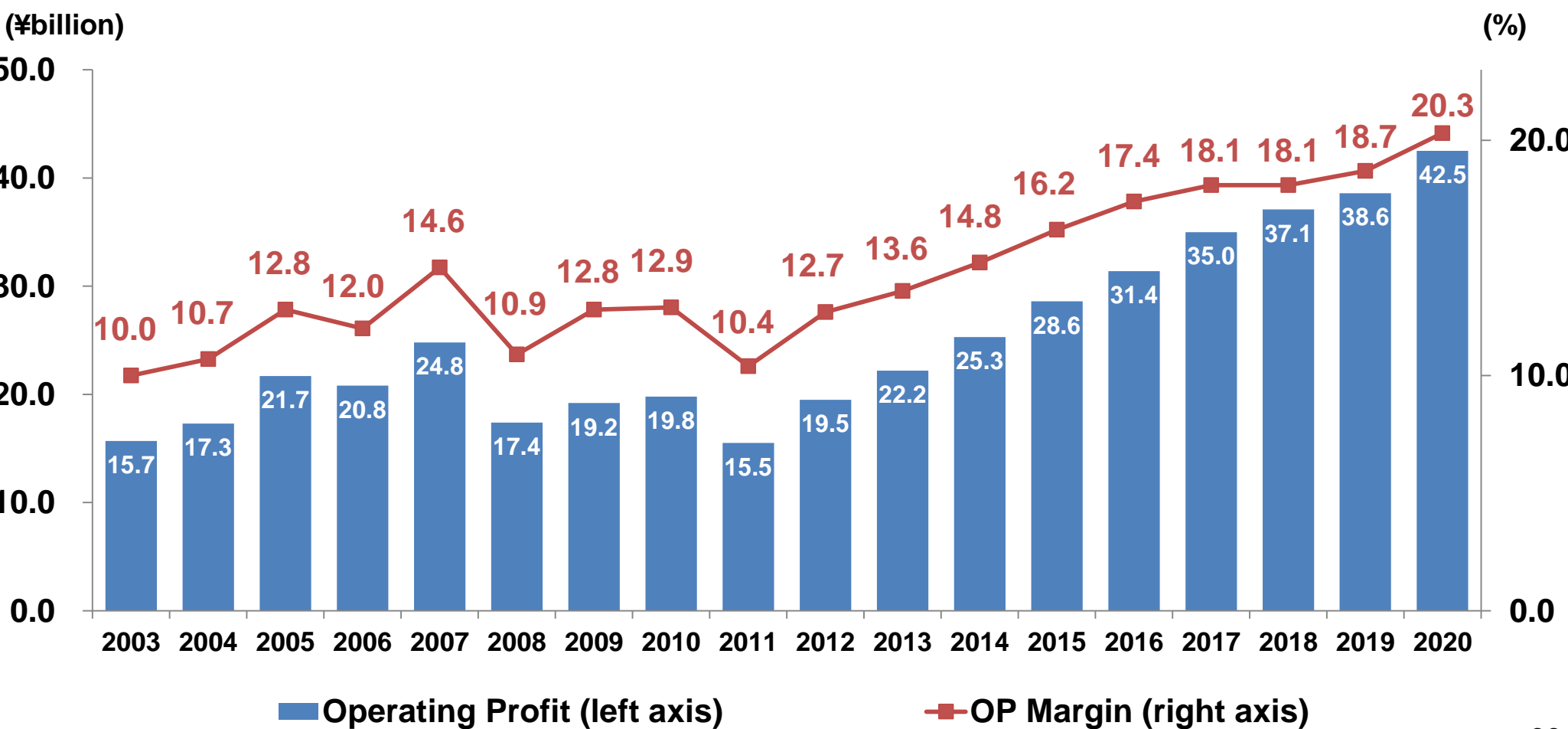
(3) FY2019-2021E : New OP method (see p32)

(4) FY2021E: Sales include ¥44.6 billion decrease due to changes in accounting policies (see p2, 30)

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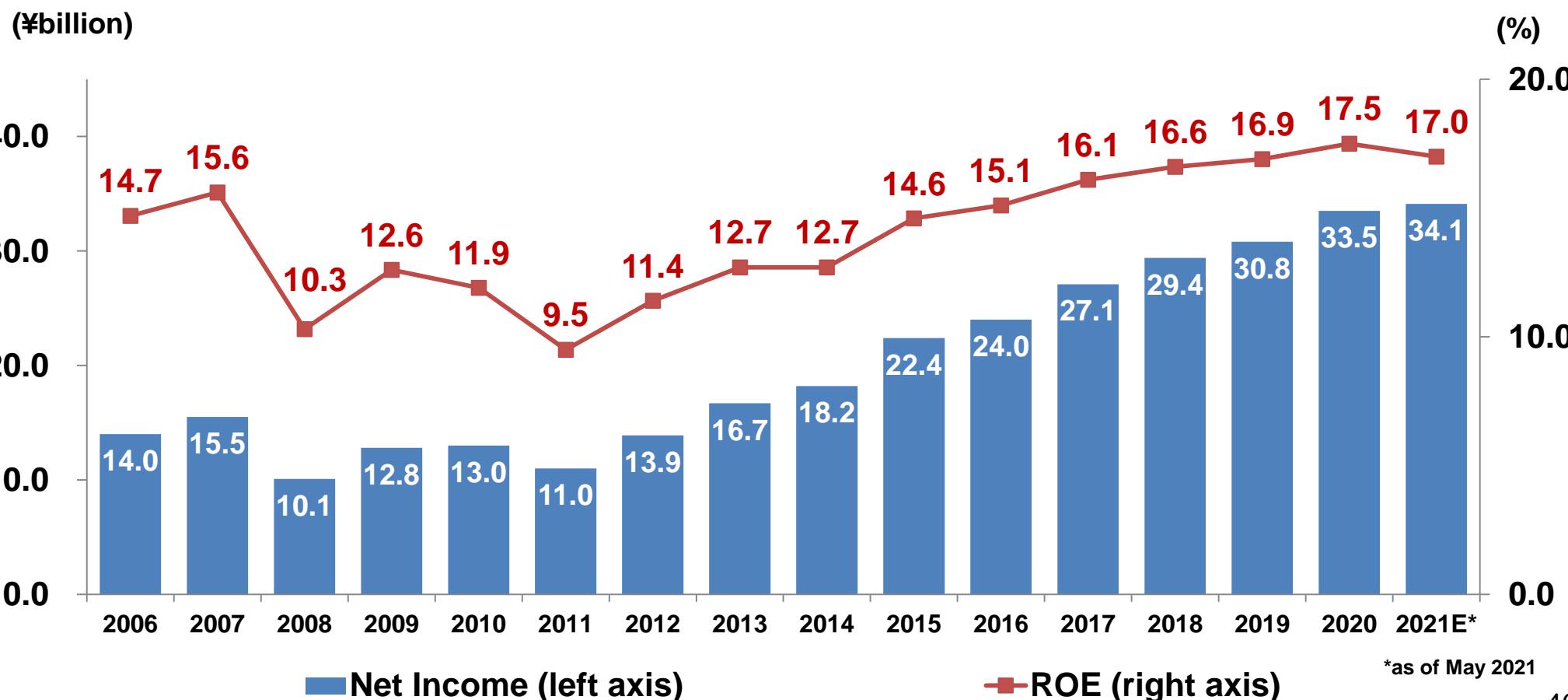
Our Characteristics - (A) Recording Stable OP Margin

◆ NCC has recorded more than 10% OP margin in 18 consecutive years (FY2003-2020)



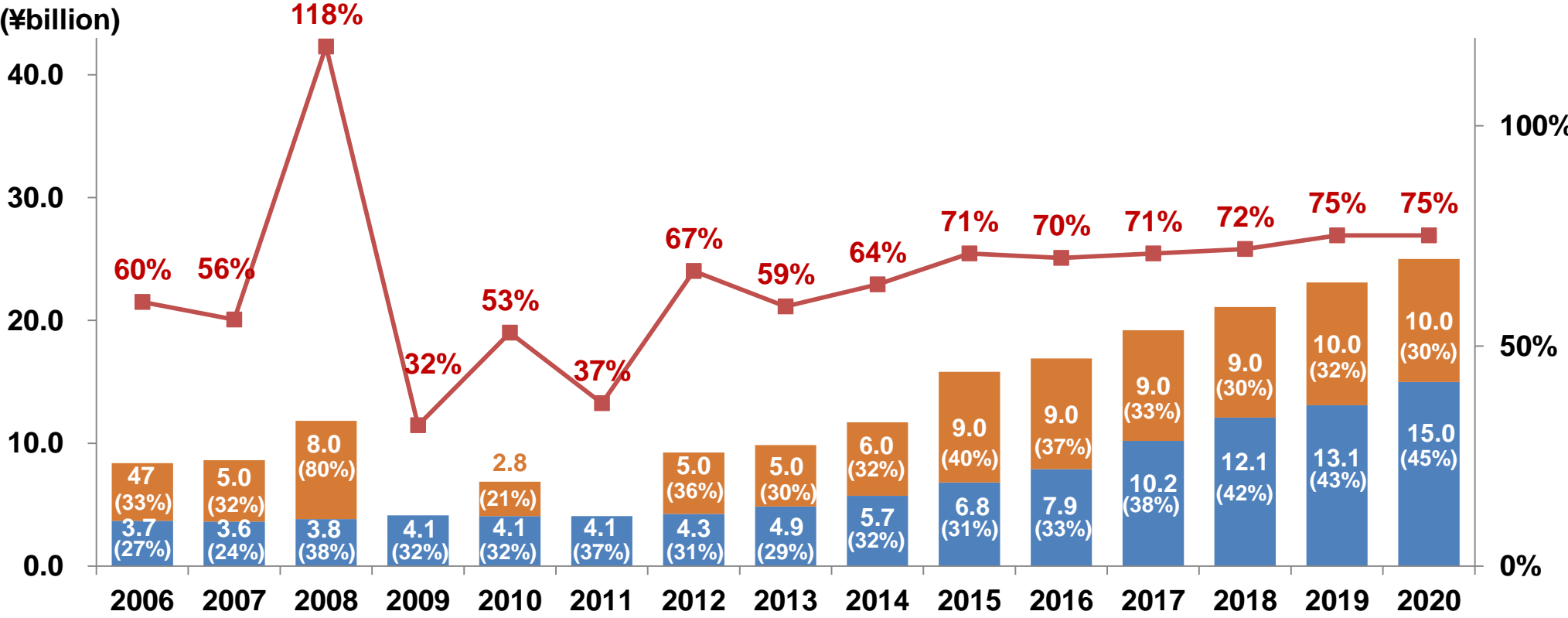
Our Characteristics - (B) High ROE

- ◆ The most important financial indicator for a long time
- ◆ Mid-Term Plan FY2019-2021 Target : Maintain above 16%
⇒ Achieved in FY2019 (16.9%), FY2020 (17.5%)



Our Characteristics - (C) Shareholders Return Policy - Total Payout Ratio

- ◆ Maintaining an aggressive shareholders return policy
- ◆ Mid-Term Plan FY2019-2021 Target : 72.5% in FY2019, 75% in FY2020-2021
⇒ Achieved in FY2019 (75.1%) , FY2020 (74.6%)



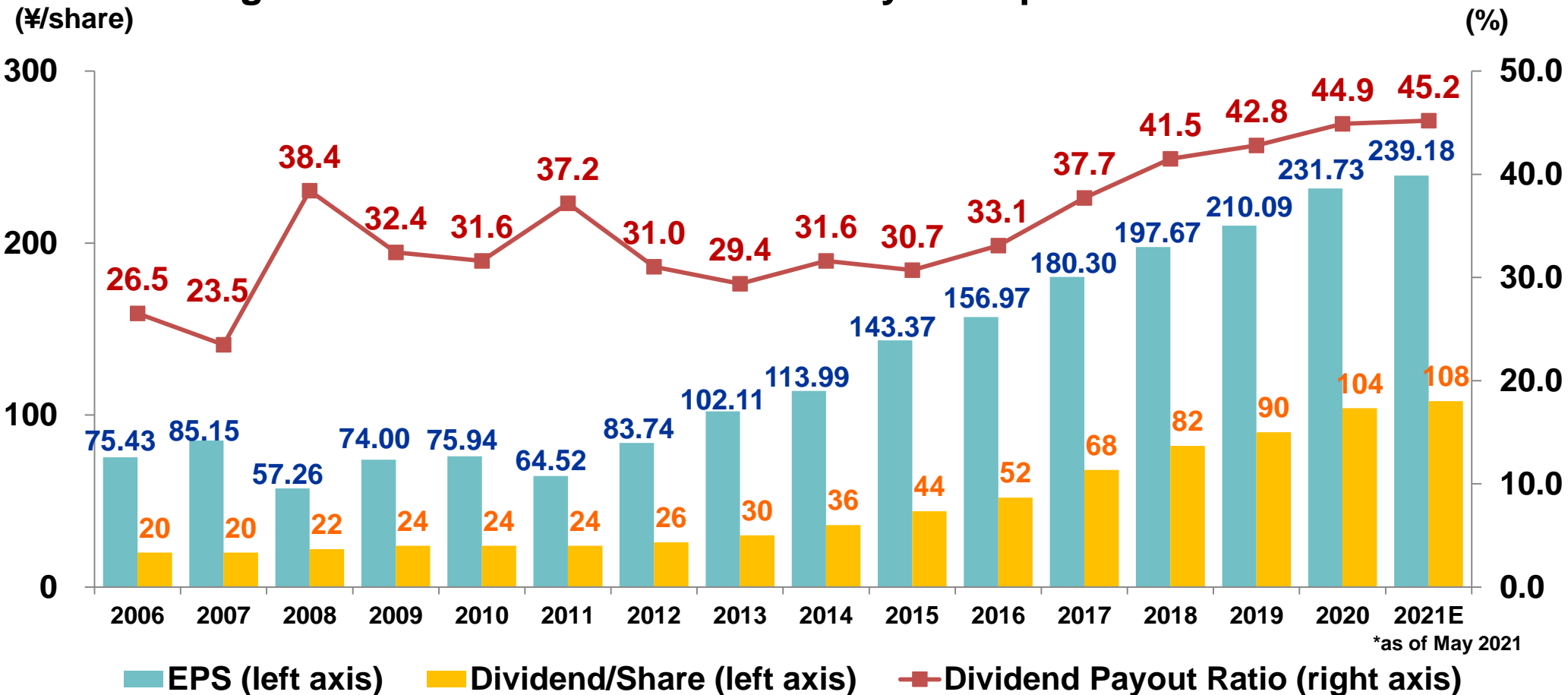
■ Share Repurchase Amount (left axis) (percentage of net income)
 ■ Total Dividend Amount (left axis) (percentage of net income)
 —■— Total Payout Ratio (right axis)

Our Characteristics - (D) Shareholders Return Policy - Dividend

◆ Mid-Term Plan FY2016-2018 Target : Gradually increased to 41.5% in FY2018
 ⇒ Achieved in FY2018 (41.5%)

◆ Mid-Term Plan FY2019-2021 Target : 42.5% in FY2019, 45% in FY2020-2021
 ⇒ Achieved in FY2019 (42.8%), FY2020 (44.9%)

◆ Increasing dividend/share in 9 consecutive years up to FY2020
 (¥/share)



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

- ◆ Started share repurchase in FY2006 only to enhance ROE, repurchased ¥92.5 billion, 42.7 million shares (22.8% of shares issued) in total from FY2006 to FY2020

- ◆ **Cancelled all repurchased shares**

Shareholders Return FY2006 - 2020

(1) excluding share acquisitions for performance-based compensation (166,200 shares)
 (2) including share acquisitions for performance-based compensation (166,200 shares)

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

*No share repurchase in FY2009 and FY2011

- ◆ Share repurchase program

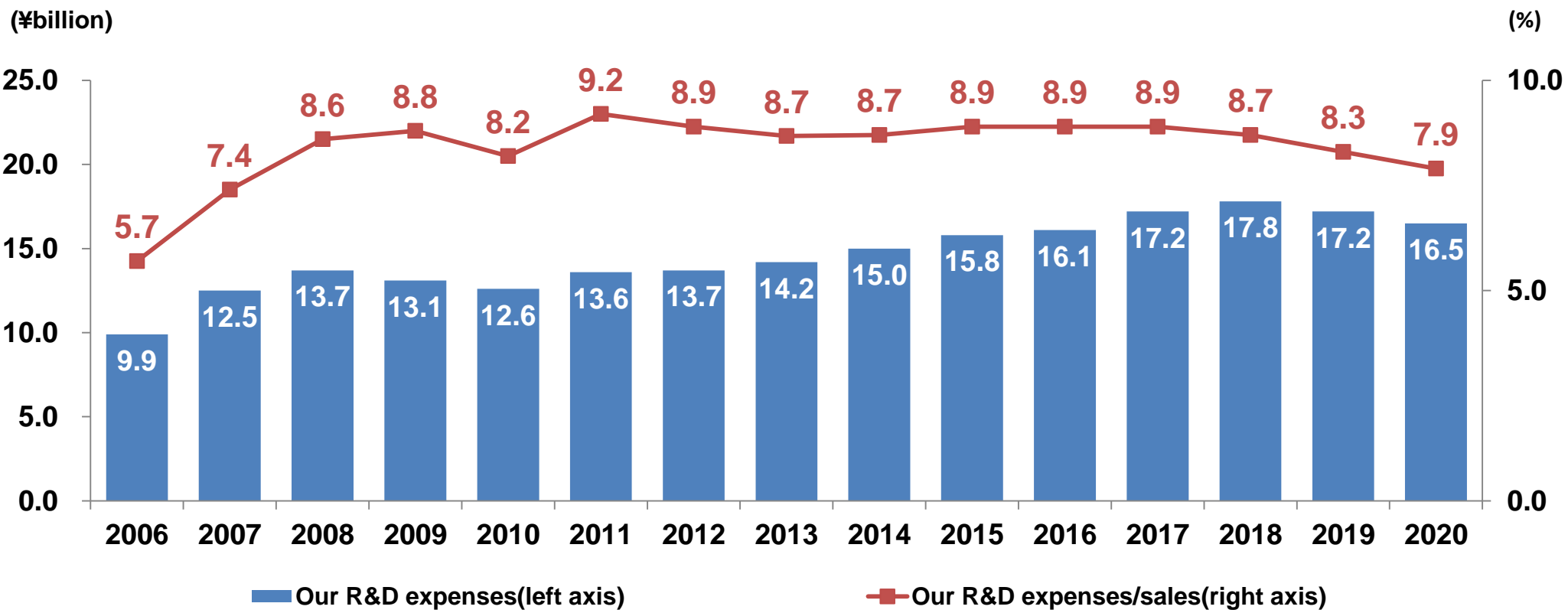
Fiscal Year	2018			2019			2020			2021
	1H	2H	Total	1H	2H	Total	1H	2H	Total	17th of May ~ 21st of July
Shares purchased (thousand shares) (1)	976	706	1,682	1,270	868	2,138	1,334	495	1,829	1,262
Purchase costs (¥billion) (1)	5.0	4.0	9.0	6.0	4.0	10.0	7.0	3.0	10.0	7.0
Shares cancelled (thousand shares)	2,000	0	2,000	2,000	1,000	3,000	1,000	0	1,000	1,000 (May 10, 2021)

- ◆ 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

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

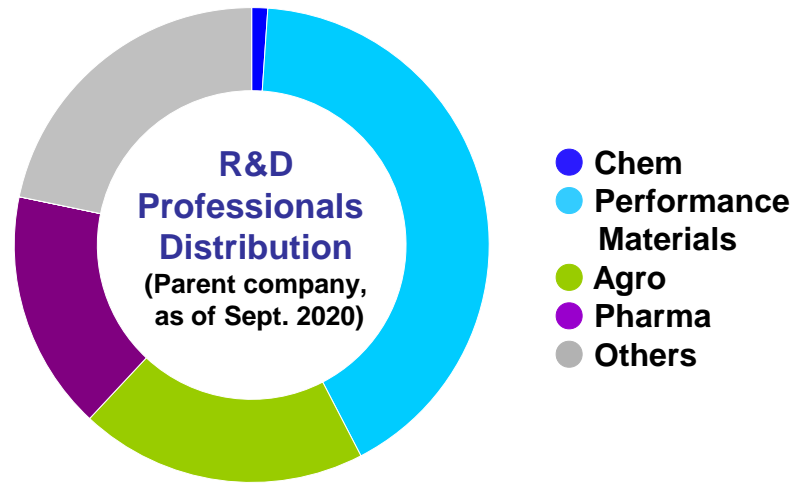
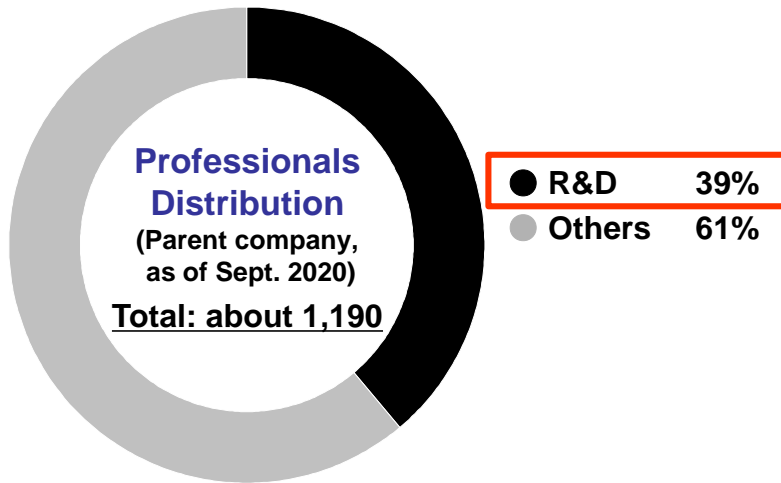
- ◆ FY2020 R&D expenses/sales: 7.9%
- ◆ Maintaining above 8% R&D expenses/sales in recent years
- ◆ About 40% of profession staff assigned to R&D centers



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

◆ R&D by segment

Segment	FY2020 Actual				
	Sales (¥billion)	OP (¥billion)	OP margin	R&D expenses (¥billion)	% of Sales
Chemicals	31.9	1.5	4.7%	0.3	0.9%
Performance Materials	71.6	22.4	31.3%	7.0	9.8%
Agrochemicals	63.8	18.2	28.5%	4.4	6.9%
Pharmaceuticals	6.7	0.4	6.0%	2.4	35.8%
Others	-	-	-	2.4	-
Total (including others and adjustment)	209.1	42.5	20.3%	16.5	7.9%



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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 High purity Sulfuric acid Ammonia, Sulfuric acid, Nitric acid	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 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) QUINTEC (QUINOXYFEN) DITHANE (MANCOZEB) ◆ 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 fruits, vegetables fruits, vegetables active substance of BRAVECTO (veterinary medical product for dogs and cats) and EXZOLT (for poultry red mites)
Pharma	LIVALO API 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.



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