

February 7, 2020

Presentation for Investors

3Q FY2019 (April 1- December 31, 2019)

Financial Results

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Head of Finance & Accounting Department**

Translation of presentation materials for the conference call held on February 7, 2020



Nissan Chemical
CORPORATION

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

3Q FY2019 Actual

(¥billion)

| | FY2018 Actual (A) | | | FY2019 Actual (B) | | | YOY Change (B)-(A) | | | FY2019 Outlook (C) as of Nov. 2019 | | vs. Outlook (B)-(C) |
|-------------------------------|-------------------|--------|---------------|-------------------|--------|---------------|-----------------------|-------|---------------|---------------------------------------|---------------|------------------------|
| | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 3Q | 1-3Q Total | 3Q |
| Sales | 98.0 | 43.9 | 141.9 | 96.5 | 41.5 | 138.0 | -1.5 | -2.4 | -3.9 | 42.5 | 139.0 | -1.0 |
| Operating Profit | 19.4 | 4.4 | 23.8 | 18.0 | 3.4 | 21.4 | -1.4 | -1.0 | -2.4 | 2.6 | 20.6 | +0.8 |
| Non-Operating Income/Expenses | 1.2 | 0.4 | 1.6 | 0.6 | 0.5 | 1.1 | -0.6 | +0.1 | -0.5 | 0.3 | 0.9 | +0.2 |
| Ordinary Income | 20.6 | 4.8 | 25.4 | 18.6 | 3.9 | 22.5 | -2.0 | -0.9 | -2.9 | 2.9 | 21.5 | +1.0 |
| Extraordinary Profit/Loss | 0.0 | 0.0 | 0.0 | 0.9 | 0.0 | 0.9 | +0.9 | +0.0 | +0.9 | 0.0 | 0.9 | +0.0 |
| Net Income (1) | 15.4 | 3.4 | 18.8 | 14.5 | 3.0 | 17.5 | -0.9 | -0.4 | -1.3 | 2.3 | 16.8 | +0.7 |
| EBITDA (2) | 24.4 | 7.3 | 31.7 | 22.7 | 6.3 | 29.0 | -1.7 | -1.0 | -2.7 | - | - | - |
| EPS (¥/share) | 103.53 | 23.11 | 126.64 | 98.75 | 20.76 | 119.51 | -4.78 | -2.35 | -7.13 | - | - | - |
| OP Margin | 19.8% | 10.1% | 16.8% | 18.7% | 8.2% | 15.5% | -1.1% | -1.9% | -1.3% | 6.1% | 14.8% | +2.1% |
| FX Rate (¥/\$) | 110 | 113 | 111 | 109 | 109 | 109 | | | | 108 | - | |
| Naphtha (¥/kl) (3) | 51,200 | 54,200 | 52,400 | 42,800 | 41,300 | 42,300 | | | | 42,100 | - | |

(1) Net income = Profit Attributable to Owners of Parent

(2) EBITDA = Operating Profit + Depreciation + Amortization of goodwill

(3) Based on Trade Statistics of Japan Ministry of Finance

3Q FY2019 Highlight

1. 3Q Actual

(1) 3Q (October 1- December 31, 2019)

1) vs. 3Q FY2018

- ◆OP down ¥1.0billion (3Q FY2019 ¥3.4billion vs. 3Q FY2018 ¥4.4billion)
- ◆Chemicals OP down due to sales decrease in melamine, TEPIC and environmental related products
- ◆Performance Materials OP up due to substantial sales increase in Display Materials and fixed cost down
- ◆Agro OP down due to Fluralaner sales decrease (reflected in Outlook as of Nov. 2019) despite GRACIA sales increase
- ◆Pharma OP down due to LIVALO sales decrease

2) vs. 3Q FY2019 Outlook as of Nov. 2019 (see p2・p12・p28)

- ◆OP above target ¥0.8billion (3Q FY2019 ¥3.4billion vs. 3Q FY2019 Outlook ¥2.6billion)
- ◆Chemicals OP significantly below target due to sales below target mainly in melamine, TEPIC and environmental relates products
- ◆Performance Materials OP above target due to substantial sales increase in Display Materials, recovery of Semis Materials and fixed cost below expectations
- ◆Agro OP above target partly due to some shipments shifted from 4Q FY2019
- ◆Pharma OP below target due to Custom Chemical sales below target
- ◆Net income above target ¥0.7billion (3Q FY2019 ¥3.0billion vs. 3Q FY2019 Outlook ¥2.3billion)

(2) 1-3Q (April 1- December 31, 2019)

- ◆OP down ¥2.4billion (1-3Q FY2019 ¥21.4billion vs. 1-3Q FY2018 ¥23.8billion)
- ◆Chemicals OP down due to melamine sales decrease and inventory adjustment cost up
- ◆Performance Materials OP up due to substantial sales increase in Display Materials (smartphone and non-smartphone applications of photo-alignment IPS) and fixed cost down
- ◆Agro OP down due to Fluralaner sales decrease despite substantial sales increase in GRACIA
- ◆Pharma OP down due to LIVALO sales decrease (export down, domestic up due to normalized end market inventory) and slight sales decrease in Custom Chemicals




3Q FY2019 Highlight










2. Full Year FY2019 Outlook as of Nov. 2019 (see p28)

No revision

(3Q results above outlook as of Nov. 2019, but 4Q possibly below the outlook)

3. 4Q FY2019 Segment Sales Trend vs. 4Q FY2019 Outlook as of Nov. 2019 (see p11)

| | |
|-----------------------------------------------------------------------------------|------------------------------------------------|
|  | Estimated to be above target at present |
|  | Estimated to be below target at present |
|  | Estimated to be in line with target at present |

| | | vs. 4Q FY2019 Sales Outlook as of Nov. 2019 | Sales Trend |
|--------|------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chem | Fine Chemicals |  | TEPIC (for both general applications and electronic materials) estimated to be below target. General applications: cheap Chinese products export up, price down and volume down. Electronic materials: continued sluggish operation of customers. |
| | Basic Chemicals |  | Melamine estimated to be below target due to cheap Chinese export up, price and volume down. |
| P.M | Display |  | SUNEVER estimated to be above target due to continued strong sales of photo-alignment |
| | Semis |  | ARC® and Multi layer process materials estimated to be above target due to sudden recovery of operation of major customers |
| | Inorganic |  | Estimated to be below target due to sales down of SNOWTEX for non-polishing materials, Organo sol and Oilfield materials |
| Agro | Agro |  | Estimated to be above target due to acquisition and smooth launch of Quinoxifen (see p22) |
| | Fluralaner |  | Estimated to be in line with target |
| Pharma | LIVALO |  | Estimated to be in line with target |
| | Custom Chemicals |  | Estimated to be in line with target |

3Q FY2019 Review

< vs. 3Q FY2018 >

(Sales) ◆ Down ¥ 2.4 billion (-5%)

(OP) ◆ Down ¥ 1.0 billion (-23%)

(Ordinary Income) ◆ Down ¥ 0.9 billion (-20%)

(Net Income) ◆ Down ¥ 0.4 billion (-12%)

(EPS) ◆ Down ¥ 2.35

(+) Performance Materials

(-) Chemicals, Agrochemicals, Pharmaceuticals, Trading

(+) Performance Materials

(±) Trading

(-) Chemicals, Agrochemicals, Pharmaceuticals

< vs. 3Q FY2019 Outlook as of November 2019 >

(Sales) ◆ Down ¥ 1.0 billion

(OP) ◆ Up ¥ 0.8 billion

(Ordinary Income) ◆ Up ¥ 1.0 billion

(Net Income) ◆ Up ¥ 0.7 billion

(+) Performance Materials, Agrochemicals

(±) Pharmaceuticals, Trading

(-) Chemicals

(+) Performance Materials, Agrochemicals, Trading

(-) Chemicals, Pharmaceutical

1-3Q FY2019 Review

< vs. 1-3Q FY2018 >

(Sales) ◆ Down ¥ 3.9 billion (-3%) (－) Chemicals, Performance Materials, Agrochemicals, Pharmaceuticals, Trading

(OP) ◆ Down ¥ 2.4 billion (-10%) (+) Performance Materials
(－) Chemicals, Agrochemicals, Pharmaceuticals, Trading

(Ordinary Income) ◆ Down ¥ 2.9 billion (-11%)

(Extraordinary Income/Loss) ◆ Up ¥ 0.9 billion

(Extraordinary Income) ¥1.7 billion (Gain on sales of investment securities ¥1.7 billion, sales amount ¥2.9 billion, sold 13 listed companies shares, sold 100% of our shareholdings of 3 listed companies)

(Extraordinary Loss) ¥0.8 billion (NCC's payment of a fee for a licensing arrangement relating to Fluralaner)

(Net Income) ◆ Down ¥ 1.3 billion (-7%)

(EPS) ◆ Down ¥ 7.13

< Shareholders Return (Full Year Outlook) >

(Dividend) ◆ 1H ¥42/share, 2H ¥46/share (dividend payout ratio : 42.1%)
(1H up ¥2, 2H up ¥4 vs. FY2018) (No revision vs. FY2019 Outlook as of November 2019)

(Share Repurchase) ◆ ¥10.0 billion (¥6.0 billion, 1.27 million shares completed in July 2019
¥4.0 billion, in process, announced in November 2019)

(Share Cancellation) ◆ Cancelled 2.0 million shares in May 2019 and August 2019

(Total Payout Ratio) ◆ 74.6% (72.0% FY2018 Actual, No revision vs. FY2019 Outlook as of November 2019)

Non-Operating Income/Expenses, Extraordinary Income/Loss

(¥billion)

| | FY2018 Actual | | | FY2019 Actual | | |
|----------------------------------------|------------------|-------|---------------|------------------|-------|---------------|
| | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total |
| Non-Operating Income | 1.78 | 0.54 | 2.32 | 1.36 | 0.55 | 1.91 |
| Interest income, dividend income | 0.34 | 0.36 | 0.70 | 0.37 | 0.31 | 0.68 |
| Equity in earnings of affiliates | 0.41 | 0.19 | 0.60 | 0.40 | 0.12 | 0.52 |
| Foreign exchange gains | 0.31 | -0.24 | 0.07 | 0.00 | 0.00 | 0.00 |
| Others | 0.72 | 0.23 | 0.95 | 0.59 | 0.12 | 0.71 |
| Non-Operating Expenses | 0.57 | 0.18 | 0.75 | 0.74 | 0.13 | 0.87 |
| Interest expense | 0.06 | 0.02 | 0.08 | 0.07 | 0.03 | 0.10 |
| Loss on disposal of non-current assets | 0.32 | 0.15 | 0.47 | 0.20 | 0.10 | 0.30 |
| Foreign exchange losses | 0.00 | 0.00 | 0.00 | 0.22 | -0.08 | 0.14 |
| Others | 0.19 | 0.01 | 0.20 | 0.25 | 0.08 | 0.33 |
| Extraordinary Income | 0.00 | 0.00 | 0.00 | 1.69 | 0.04 | 1.73 |
| Extraordinary Loss | 0.00 | 0.00 | 0.00 | 0.83 | 0.00 | 0.83 |

Cash Flows

| | 1-3Q FY2018 Actual | 1-3Q FY2019 Actual | (¥billion) |
|-----------------------------------------------------------|-----------------------|-----------------------|------------|
| CF from operating activities | 32.4 | 34.9 | |
| Income before income taxes & non-controlling interests | 25.4 | 23.4 | |
| Loss (gain) on sales of securities | -0.3 | -1.7 | |
| Depreciation and amortization | 7.9 | 7.4 | |
| Amortization of goodwill | 0.0 | 0.2 | |
| Income taxes paid | -9.2 | -8.2 | |
| Working capital, others | 8.6 | 13.8 | |
| CF from investing activities | -9.7 | -12.9 | |
| Purchase of PPE | -7.4 | -6.6 | |
| Purchase and sales of investment securities | -0.5 | 2.6 | |
| Others (1) | -1.8 | -8.9 | |
| CF from financing activities | -37.2 | -40.0 | |
| Payout to shareholders (dividend) | -11.3 | -12.4 | |
| Payout to shareholders (share repurchase) | -5.0 | -8.3 | |
| Borrowings | -20.8 | -16.7 | |
| Others (2) | -0.1 | -2.6 | |
| Effect of exchange rate change on cash & cash equivalents | -0.1 | -0.2 | |
| Change in cash & cash equivalents | -14.6 | -18.2 | |
| Cash & cash equivalents at the end of period | 23.1 | 18.0 | |

(1) 1-3Q FY2019 Actual: Payments for acquisition of the Quinoxifen Fungicide Product Line -6.3, Others -2.6

(2) 1-3Q FY2019 Actual: Setting up the trust for share repurchase -1.7,

Share repurchase related to Introduction of a performance-linked stock compensation plan -0.8, Others -0.1₈

Balance Sheets

(¥billion)

| | 2018/12 | 2019/3 (A) | 2019/12 (B) | Change (B) - (A) | | 2018/12 | 2019/3 (A) | 2019/12 (B) | Change (B) - (A) |
|------------------------|---------|---------------|----------------|---------------------|-------------------------------------------------------|---------|---------------|----------------|---------------------|
| Current assets | 126.3 | 152.5 | 125.8 | -26.7 | Liabilities | 46.3 | 64.9 | 47.7 | -17.2 |
| Cash | 23.1 | 36.2 | 18.0 | -18.2 | Accounts payable | 20.3 | 17.8 | 19.6 | +1.8 |
| Accounts receivable | 48.2 | 69.2 | 47.8 | -21.4 | Borrowings | 7.9 | 26.6 | 9.9 | -16.7 |
| Inventories | 48.9 | 42.0 | 50.8 | +8.8 | Others | 18.1 | 20.5 | 18.2 | -2.3 |
| Others | 6.1 | 5.1 | 9.2 | +4.1 | Net assets | 175.3 | 182.1 | 177.1 | -5.0 |
| Fixed assets | 95.3 | 94.5 | 99.0 | +4.5 | Shareholders' equity | 162.9 | 169.5 | 165.6 | -3.9 |
| Total PPE | 53.9 | 52.7 | 52.6 | -0.1 | Valuation difference on available-for-sale securities | 10.2 | 10.6 | 10.0 | -0.6 |
| Intangible assets | 1.6 | 1.5 | 7.5 | +6.0 | Foreign currency translation adjustment | 0.1 | 0.0 | -0.4 | -0.4 |
| Investment securities* | 34.6 | 35.2 | 33.6 | -1.6 | Non-controlling interests | 1.7 | 1.7 | 1.6 | -0.1 |
| Others | 5.2 | 5.1 | 5.3 | +0.2 | Remeasurements of defined benefit plans | 0.4 | 0.3 | 0.3 | -0.0 |
| Total assets | 221.6 | 247.0 | 224.8 | -22.2 | Total liabilities & Net assets | 221.6 | 247.0 | 224.8 | -22.2 |

*Investment securities

| | | | | |
|--------------------------------|------|------|------|------|
| Listed shares | 25.0 | 25.6 | 23.9 | -1.7 |
| Unlisted shares | 2.5 | 2.5 | 2.5 | -0.0 |
| Subsidiaries/Associates shares | 7.1 | 7.1 | 7.2 | +0.1 |
| Total | 34.6 | 35.2 | 33.6 | -1.6 |

• Equity Ratio 78.3% 73.0% 78.0%
• D/E Ratio (1) -9.3% -5.7% -4.9%
• Change in shareholders' equity -3.9
= Net Income 17.5 - Dividend and others 21.4
(1)D/E Ratio = (Borrowings - Cash) / Shareholders' equity

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FY2018-19 Quarterly Sales by Segment ⁽¹⁾

(¥billion)

| | | FY2018 Actual (A) | | | FY2019 Actual (B) | | | YOY Change (B)-(A) | | | FY2019 Outlook (C) as of Nov. 2019 | | vs. Outlook (B)-(C) | FY2019 Outlook as of Nov. 2019 |
|-----------------------|-----------------|-------------------|-------|---------------|-------------------|-------|---------------|--------------------|------|---------------|---------------------------------------|---------------|------------------------|-----------------------------------|
| | | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 3Q | 1-3Q Total | | 4Q |
| Chem | | 17.0 | 9.6 | 26.6 | 16.8 | 8.7 | 25.5 | -0.2 | -0.9 | -1.1 | 10.0 | 26.8 | -1.3 | 10.5 |
| | Fine Chemicals | 5.1 | 2.6 | 7.7 | 5.2 | 2.6 | 7.8 | +0.1 | -0.0 | +0.1 | 2.9 | 8.1 | -0.3 | 3.2 |
| | Basic Chemicals | 11.9 | 7.0 | 18.9 | 11.6 | 6.1 | 17.7 | -0.3 | -0.9 | -1.2 | 7.1 | 18.7 | -1.0 | 7.3 |
| Performance Materials | | 32.0 | 16.6 | 48.6 | 31.4 | 17.0 | 48.4 | -0.6 | +0.4 | -0.2 | 16.2 | 47.6 | +0.8 | 15.9 |
| Agro | | 28.7 | 5.9 | 34.6 | 27.9 | 5.5 | 33.4 | -0.8 | -0.4 | -1.2 | 5.2 | 33.1 | +0.3 | 31.2 |
| Pharma | | 3.7 | 1.9 | 5.6 | 3.4 | 1.6 | 5.0 | -0.3 | -0.3 | -0.6 | 1.6 | 5.0 | -0.0 | 2.0 |
| Trading | | 33.4 | 18.1 | 51.5 | 33.3 | 17.5 | 50.8 | -0.1 | -0.6 | -0.7 | 17.5 | 50.8 | -0.0 | 16.3 |
| Others | | 10.5 | 7.2 | 17.7 | 9.8 | 5.1 | 14.9 | -0.7 | -2.1 | -2.8 | 5.5 | 15.3 | -0.4 | 7.1 |
| Adjustment | | -27.3 | -15.4 | -42.7 | -26.1 | -13.9 | -40.0 | +1.2 | +1.5 | +2.7 | -13.5 | -39.6 | -0.4 | -13.0 |
| Total | | 98.0 | 43.9 | 141.9 | 96.5 | 41.5 | 138.0 | -1.5 | -2.4 | -3.9 | 42.5 | 139.0 | -1.0 | 70.0 |

(1) Including inter-segment sales/transfers

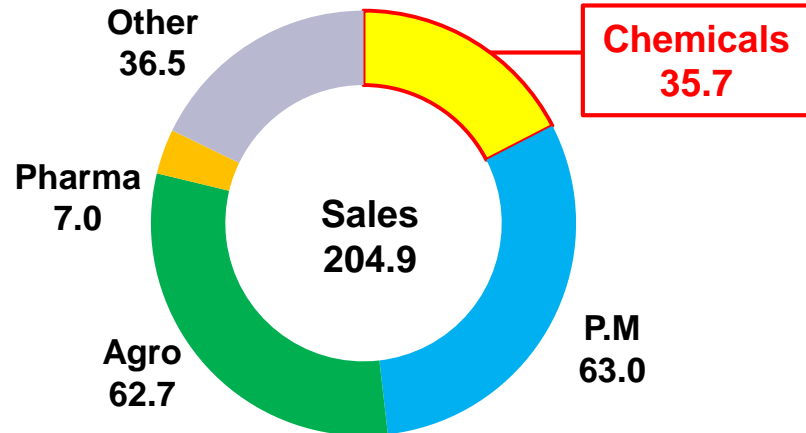
FY2018-19 Quarterly OP by Segment

(¥billion)

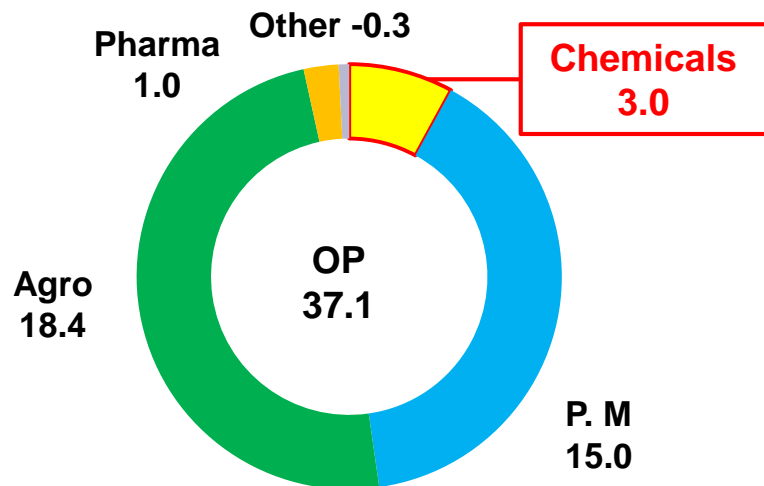
| | FY2018 Actual (A) | | | FY2019 Actual (B) | | | YOY Change (B)-(A) | | | FY2019 Outlook (C) as of Nov.2019 | | vs. Outlook (B)-(C) | FY2019 Outlook as of Nov.2019 |
|-----------------------|-------------------|------|---------------|-------------------|------|---------------|--------------------|------|---------------|--------------------------------------|---------------|---------------------------|----------------------------------|
| | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 1H | 3Q | 1-3Q Total | 3Q | 1-3Q Total | | 4Q |
| Chem | 1.2 | 1.0 | 2.2 | 0.3 | 0.6 | 0.9 | -0.9 | -0.4 | -1.3 | 1.4 | 1.7 | -0.8 | 1.7 |
| Performance Materials | 8.1 | 4.3 | 12.4 | 8.2 | 4.9 | 13.1 | +0.1 | +0.6 | +0.7 | 3.5 | 11.7 | +1.4 | 3.4 |
| Agro | 9.8 | -1.3 | 8.5 | 9.4 | -1.9 | 7.5 | -0.4 | -0.6 | -1.0 | -2.2 | 7.2 | +0.3 | 12.4 |
| Pharma | 0.6 | 0.4 | 1.0 | 0.5 | 0.1 | 0.6 | -0.1 | -0.3 | -0.4 | 0.2 | 0.7 | -0.1 | 0.4 |
| Trading | 1.1 | 0.6 | 1.7 | 1.0 | 0.6 | 1.6 | -0.1 | +0.0 | -0.1 | 0.5 | 1.5 | +0.1 | 0.6 |
| Others | 0.2 | 0.2 | 0.4 | 0.1 | 0.1 | 0.2 | -0.1 | -0.1 | -0.2 | 0.0 | 0.1 | +0.1 | 0.5 |
| Adjustment | -1.6 | -0.8 | -2.4 | -1.5 | -1.0 | -2.5 | +0.1 | -0.2 | -0.1 | -0.8 | -2.3 | -0.2 | -1.0 |
| Total | 19.4 | 4.4 | 23.8 | 18.0 | 3.4 | 21.4 | -1.4 | -1.0 | -2.4 | 2.6 | 20.6 | +0.8 | 18.0 |

Chemicals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

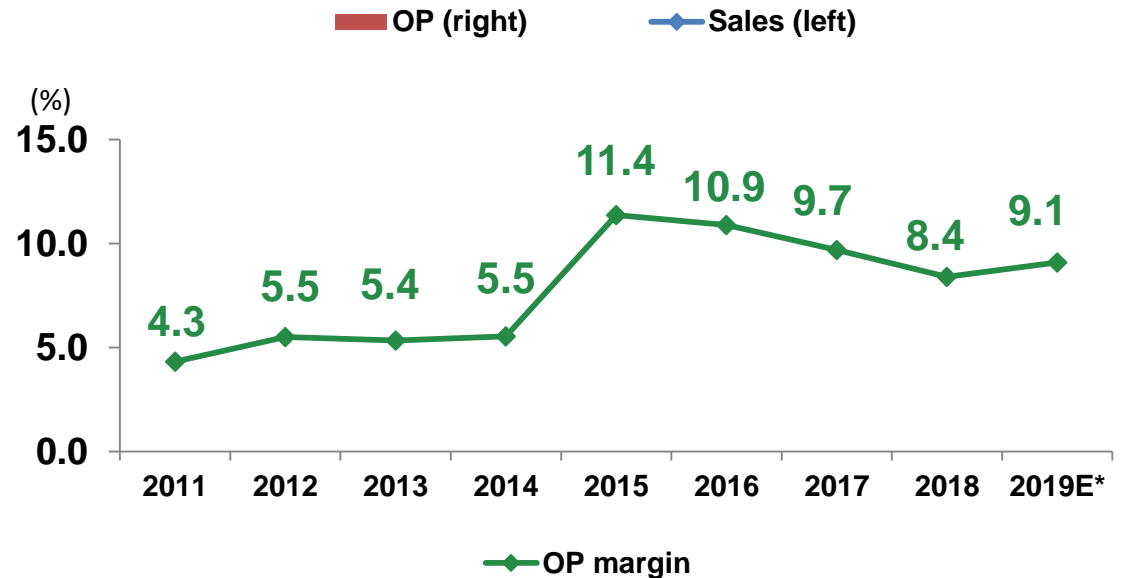
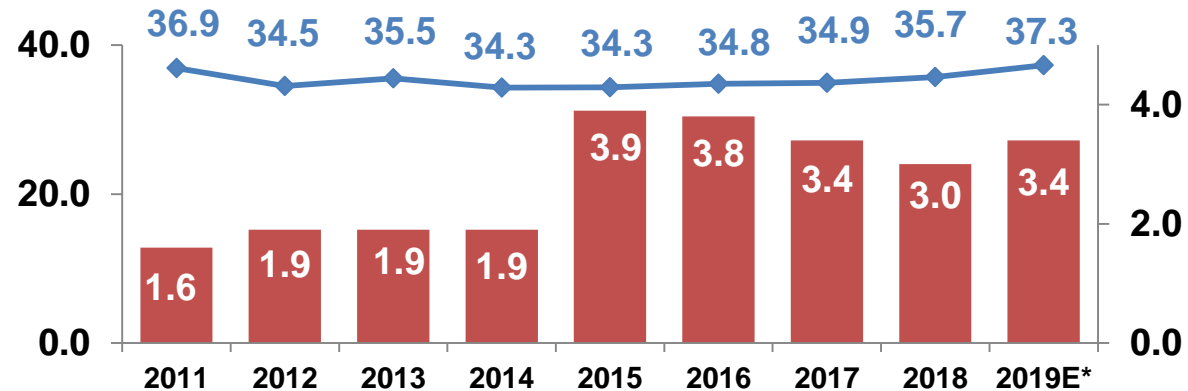


2. FY2018 OP Distribution (¥billion)



3. Recent Financial Performance (¥billion)

*announced in November 2019



Chemicals – (B) 1-3Q FY2019 Sales & Profit Review

<Sales Review>

| Fine Chem | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|--------------------------------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| TEPIC | -10% | -1% | Below |
| Environmental related products | -16% | -3% | Below |
| Total Fine Chem | -6% | -0% | Below |

Two products account for 82% of total consolidated subsegment sales (1-3Q FY2019)

| Basic Chem | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|---------------------------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| Melamine | -30% | -12% | Below |
| Urea including AdBlue | +3% | +5% | Above |
| High purity sulfuric acid | +5% | +1% | Below |
| Total Basic Chem | -12% | -6% | Below |

Three products account for 40% of total consolidated subsegment sales (1-3Q FY2019)

3Q FY2019 Review

(Fine Chemicals) <vs. 3Q FY2018>

- ◆ Sales of TEPIC down (both general applications and electronic materials down)
- ◆ Sales of environmental related products down
- ◆ Sales down, OP down

(Basic Chemicals)

- ◆ Sales of melamine down (both domestic and export down) (cheap Chinese export up, price down)
- ◆ Sales of urea including AdBlue up
- ◆ Sales of high purity sulfuric acid up
- ◆ Sales down, OP down

(Total Segment)

- ◆ Sales down ¥0.9 billion, OP down ¥0.4 billion

<Profit Review>

| (¥billion) | | | | | | | | |
|------------|-------------------------|-------------------------|----------------------------|---------------------------------------------|----------------------------------------------|------------------|------------------|--------------------------------------|
| | FY2018 Actual (A) | FY2019 Actual (B) | YOY Change (B) - (A) | FY2019 Outlook as of Nov. 2019 (C) | FY2019 Actual vs. Outlook (B) - (C) | FY2018 Actual | FY2019 Actual | FY2019 Outlook as of Nov. 2019 |
| | 3Q | 3Q | 3Q | 3Q | 3Q | 1-3Q | 1-3Q | 4Q |
| Sales | 9.6 | 8.7 | -0.9 | 10.0 | -1.3 | 26.6 | 25.5 | 10.5 |
| Fine | 2.6 | 2.6 | -0.0 | 2.9 | -0.3 | 7.7 | 7.8 | 3.2 |
| Basic | 7.0 | 6.1 | -0.9 | 7.1 | -1.0 | 18.9 | 17.7 | 7.3 |
| OP | 1.0 | 0.6 | -0.4 | 1.4 | -0.8 | 2.2 | 0.9 | 1.7 |

1H FY2019 Review :

see presentation materials for 2Q FY2019 (announced on November 8, 2019)

3Q FY2019 Review

<vs. 3Q FY2019 Outlook as of Nov. 2019>

(Fine Chemicals)

- ◆ Sales of TEPIC below target (both general applications and electronic materials below target)
- ◆ Sales of environmental related products below target
- ◆ Sales below target, OP below target

(Basic Chemicals)

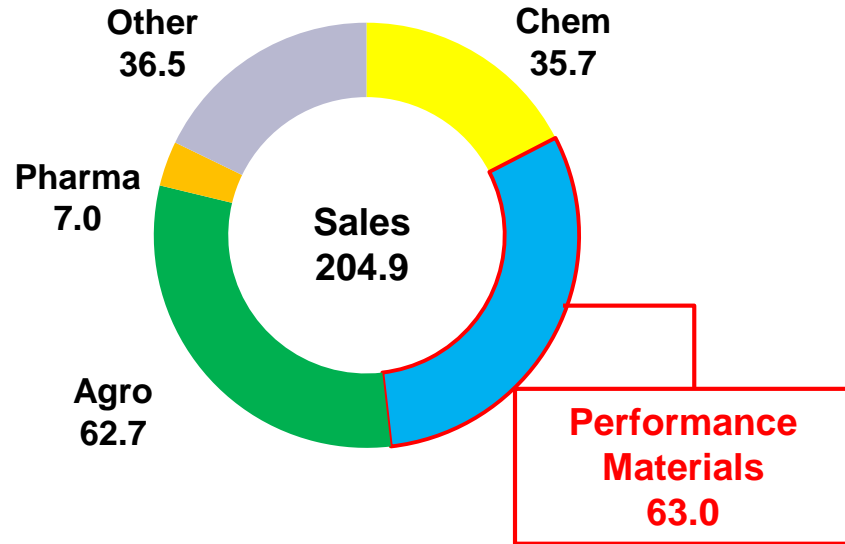
- ◆ Sales of melamine below target (both domestic and export below target) (cheap Chinese export up, price down)
- ◆ Sales of high purity sulfuric acid below target
- ◆ Sales of urea including AdBlue above target
- ◆ Sales below target, OP below target

(Total Segment)

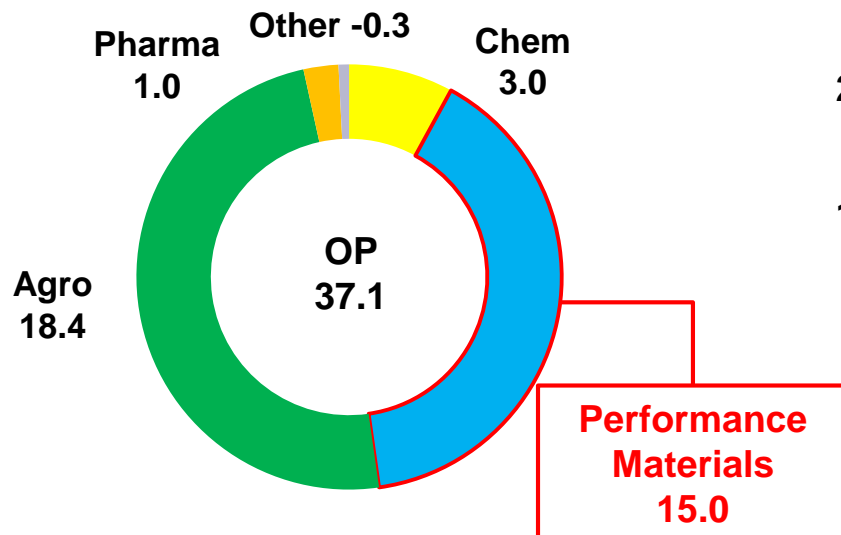
- ◆ Sales down ¥1.3 billion, OP down ¥0.8 billion

Performance Materials – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

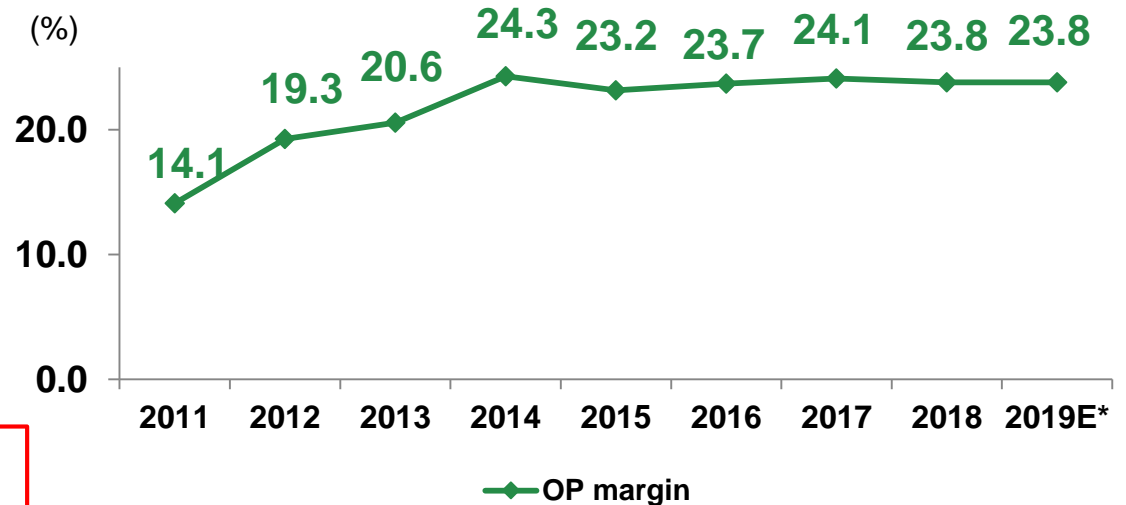
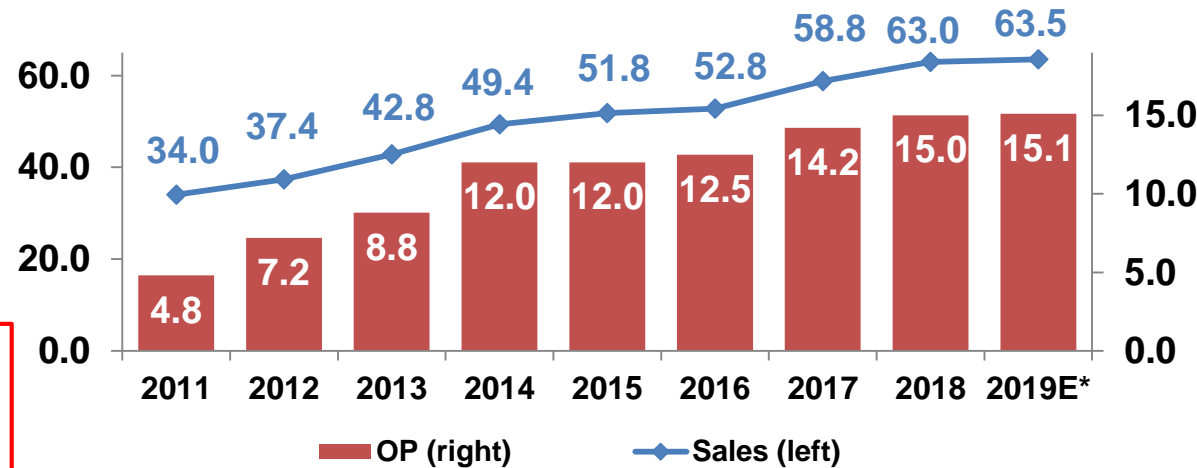


2. FY2018 OP Distribution (¥billion)



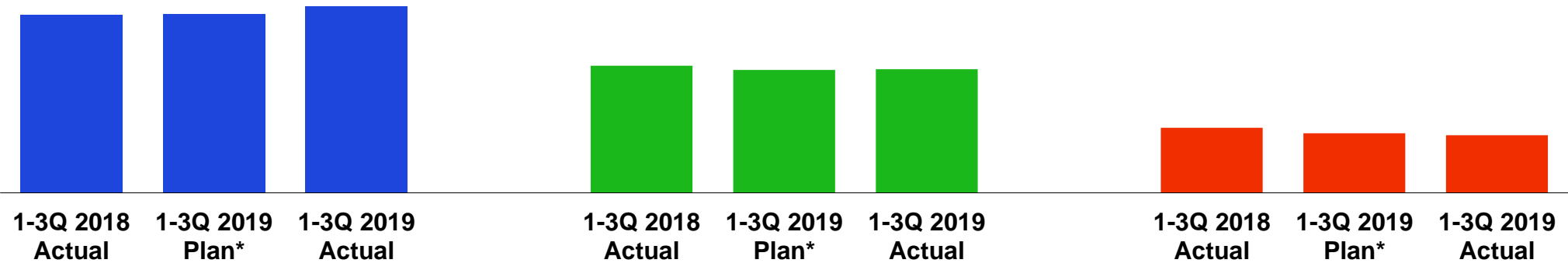
3. Recent Financial Performance (¥billion)

*announced in November 2019



Performance Materials – (B) 1-3Q FY2019 Sales Distribution

*Plan as of November 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) 1-3Q FY2019 Sales Review

| Display Materials | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|-----------------------------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| Total SUNEVER | +9% | +5% | Above |
| Other Display Materials (1) | +2% | -20% | Below |
| Total Display Materials | +9% | +5% | Above |

| Semiconductors Materials | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|------------------------------------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| KrF (ARC®) | -3% | -4% | Above |
| ArF (ARC®) | -5% | -3% | Above |
| Total | -4% | -3% | Above |
| Other Semiconductors Materials (2) | +10% | -2% | Below |
| Total Semiconductors Materials | -0% | -3% | Above |

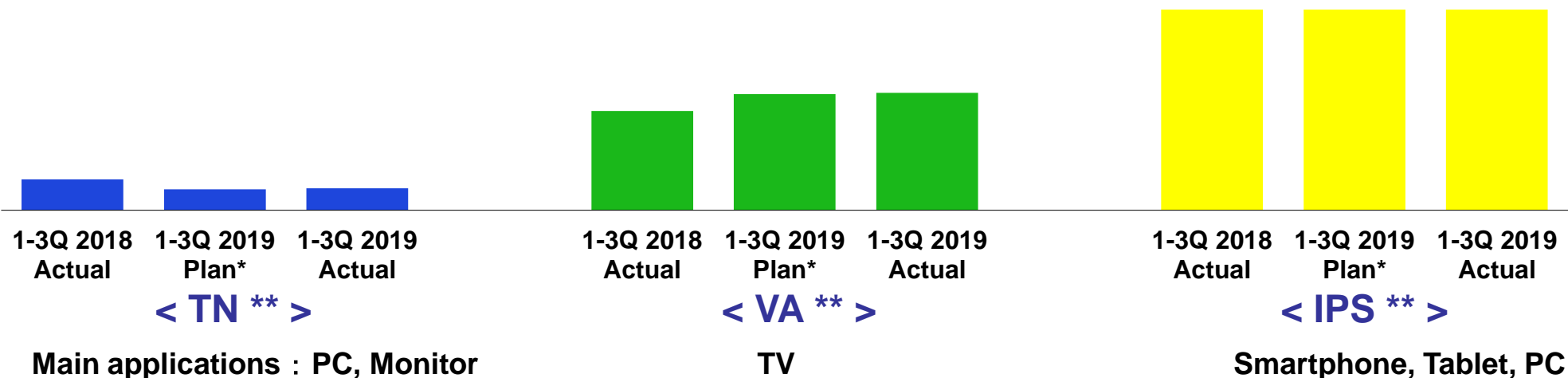
| Inorganic | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|----------------------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| SNOWTEX | -11% | -5% | Below |
| Organo / Monomer Sol | -16% | -13% | Below |
| Oilfield Materials | +5% | -48% | Below |
| Total Inorganic | -12% | -11% | 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 November 2019 (undisclosed)

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

< SUNEVER Sales Review by Mode>

| | YOY Change | | vs. Plan as of Nov. 2019 (undisclosed) |
|-------|------------|------|----------------------------------------------|
| | 3Q | 1-3Q | |
| TN | ↘↘↘ | ↘↘↘ | Above |
| VA | ↗↗↗ | ↗↗↗ | Above |
| IPS | ↗↗↗ | ↗↗↗ | Above |
| Total | +9% | +5% | Above |

YOY Change

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

Performance Materials – (E) Profit Overview

(¥billion)

| | FY2018 Actual (A) | FY2019 Actual (B) | YOY Change (B) - (A) | FY2019 Outlook as of Nov. 2019 (C) | FY2019 Actual vs. Outlook (B) - (C) | FY2018 Actual | FY2019 Actual | FY2019 Outlook as of Nov. 2019 |
|-------|-------------------------|-------------------------|----------------------------|---------------------------------------------|----------------------------------------------|------------------|------------------|-----------------------------------|
| | 3Q | 3Q | 3Q | 3Q | 3Q | 1-3Q | 1-3Q | 4Q |
| Sales | 16.6 | 17.0 | +0.4 | 16.2 | +0.8 | 48.6 | 48.4 | 15.9 |
| OP | 4.3 | 4.9 | +0.6 | 3.5 | +1.4 | 12.4 | 13.1 | 3.4 |

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

3Q FY2019 Review

<vs. 3Q FY2018>

- ◆ SUNEVER sales up (IPS up (photo-alignment up, rubbing down), VA up, TN down)
- ◆ Total Semis Materials sales flat (KrF and ArF down, other semis materials up (Multi layer and other new materials up))
- ◆ Inorganic Materials sales down (SNOWTEX down, Organo/Monomer sol down, Oilfield materials up)
- ◆ Fixed cost down ¥0.5 billion
- ◆ Sales up ¥0.4 billion, OP up ¥0.6 billion (OP: DP up, Semis flat, Inorganic down)

3Q FY2019 Review

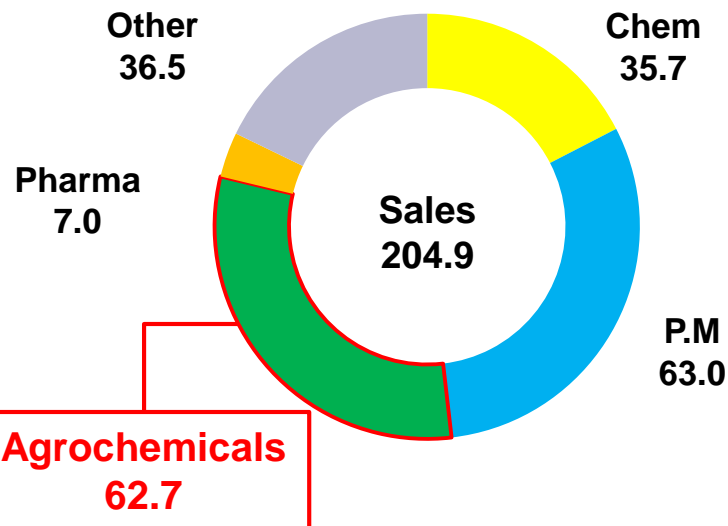
<vs. 3Q FY2019 Outlook as of Nov. 2019>

- ◆ SUNEVER sales above target (IPS above target (photo-alignment above target, rubbing below target), VA and TN above target)
- ◆ Total Semis Materials sales above target (KrF and ArF above target, 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 (¥0.6 billion)
- ◆ Sales up ¥0.8 billion, OP up ¥1.4 billion (OP: DP up, Semis up, Inorganic down)

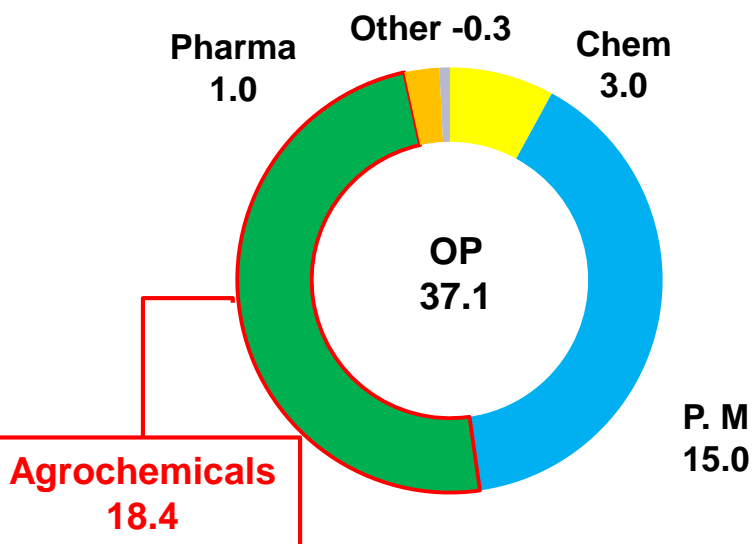
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Agrochemicals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

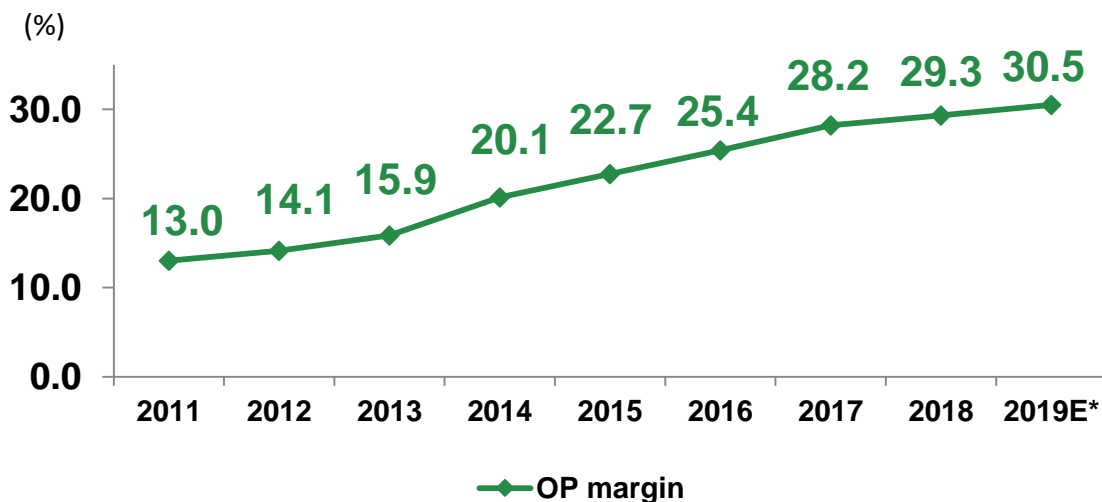
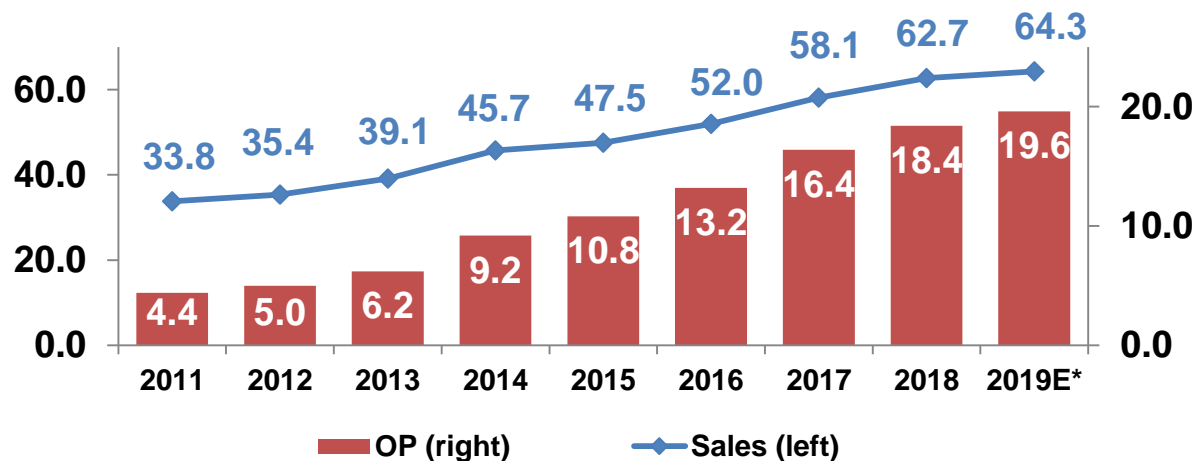


2. FY2018 OP Distribution (¥billion)



3. Recent Financial Performance (¥billion)

*announced in November 2019



Agrochemicals – (B) 1-3Q FY2019 Sales Review

<Sales Review (Before Discount)>

| *in order of FY2018 sales amount | | YOY Change | vs. Plan as of Nov. 2019 (undisclosed) |
|----------------------------------|------------------------|------------|----------------------------------------------|
| Main Products* | | 1-3Q | |
| Fluralaner | Animal health products | ↘↘ | Below |
| ROUNDUP (1) | Herbicide | +10% | Above |
| ALTAIR | Herbicide | ↗↗ | Above |
| TARGA | Herbicide | ↘↘↘ | Above |
| PERMIT | Herbicide | ↘ | Above |
| GRACIA | Insecticide | over +400% | Below |
| Total segment | - | -2% | Above |

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

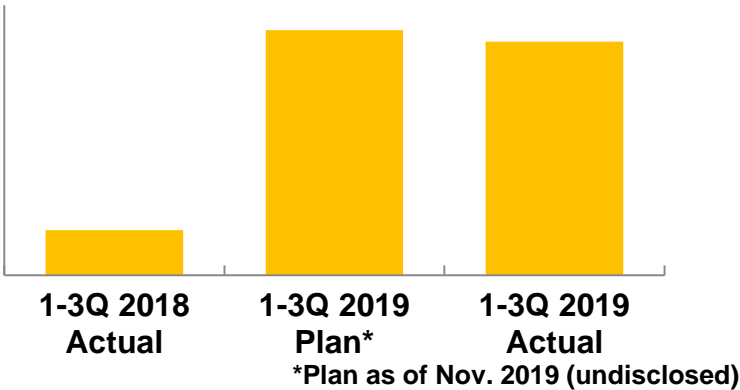
https://www.nissanchem.co.jp/eng/news_release/release/en2020_01_24.pdf

YOY Change

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

(1) ROUNDUP AL for general household accounting for 26% of 1-3Q FY2019 ROUNDUP sales

■ GRACIA Sales (1-3Q FY2019 Actual)



For GRACIA Sales Long-term Growth Forecast, see p38 of presentation materials for 2Q FY2019 (announced on Nov. 8, 2019)

■ Quintec (Quinoxifen)

- Acquired the Quinoxifen product line of fungicides (¥6.3 billion) including Quintec bland from Corteva in November 2019 and started to sell in December 2019
- Protectant fungicide highly effective in controlling powdery mildew in fruits (especially grapes) and vegetables, mainly sold in USA

<Acquisition's estimated PL impact> (¥billion, round number)

| | OP | OP + Amortization |
|-----------------|-----|----------------------|
| FY2019 | 0.0 | 0.3 |
| FY2020 | 0.0 | 1.0 |
| Total FY2021-24 | 1.0 | 5.5 |

Sources: our news release announced on December 2, 2019
Amortization: 5 year straight line method subject to audit

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, **July 2019 China**
- *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)

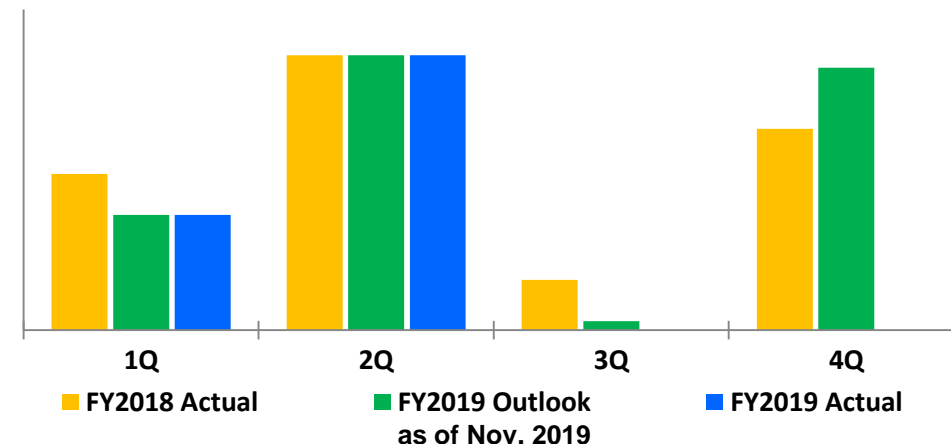
◆ EXZOLT

- *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
 - July 2018 Europe
 - December 2019 USA**

■ Fluralaner Quarterly Sales (including royalty)



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

Agrochemicals – (D) Profit Overview

| | FY2018 Actual (A) | FY2019 Actual (B) | YOY Change (B) - (A) | FY2019 Outlook as of Nov. 2019 (C) | FY2019 Actual vs. Outlook (B) - (C) | FY2018 Actual | FY2019 Actual | FY2019 Outlook as of Nov. 2019 |
|-------|-------------------------|-------------------------|----------------------------|---------------------------------------------|----------------------------------------------|------------------|------------------|--------------------------------------|
| | 3Q | 3Q | 3Q | 3Q | 3Q | 1-3Q | 1-3Q | 4Q |
| Sales | 5.9 | 5.5 | -0.4 | 5.2 | +0.3 | 34.6 | 33.4 | 31.2 |
| OP | -1.3 | -1.9 | -0.6 | -2.2 | +0.3 | 8.5 | 7.5 | 12.4 |

3Q FY2019 Review

<vs. 3Q FY2018>

- ◆ Sales up : GRACIA(domestic), ALTAIR(domestic and export), ROUNDUP, PERMIT(export)
- ◆ Sales down : Fluralaner(shipment shift), TARGA(export)
- ◆ Fixed cost up ¥0.3 billion
(including Quinoxifen amortization ¥0.2 billion)
- ◆ Inventory adjustment cost up (¥0.3 billion)
- ◆ Sales down ¥0.4 billion, OP down ¥0.6 billion

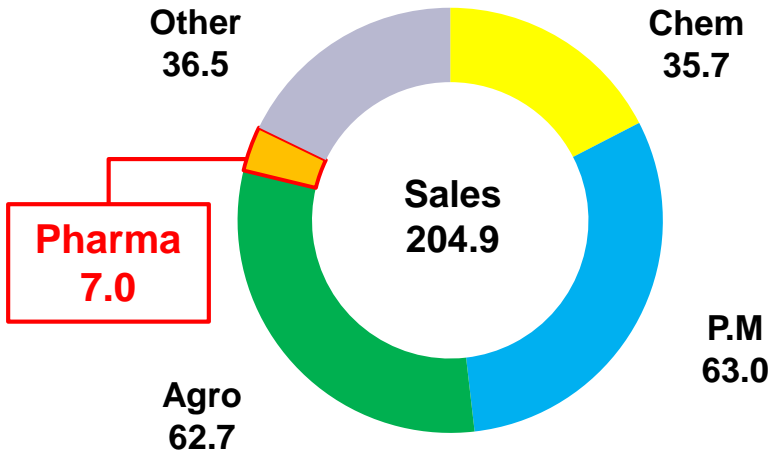
3Q FY2019 Review

<vs. 3Q FY2019 Outlook as of Nov. 2019>

- ◆ Sales above target : ROUNDUP, ALTAIR(domestic and export), TARGA(export), PERMIT(export)
- ◆ Sales below target : Fluralaner, GRACIA(export)
- ◆ Sales above and below target mainly due to shipment shift between 4Q FY2019 and 3Q (excluding TARGA)
- ◆ Fixed cost above expectations ¥0.1 billion
(including Quinoxifen amortization ¥0.2 billion)
- ◆ Inventory adjustment cost above expectations (¥0.1 billion)
- ◆ Sales up ¥0.3 billion, OP up ¥0.3 billion

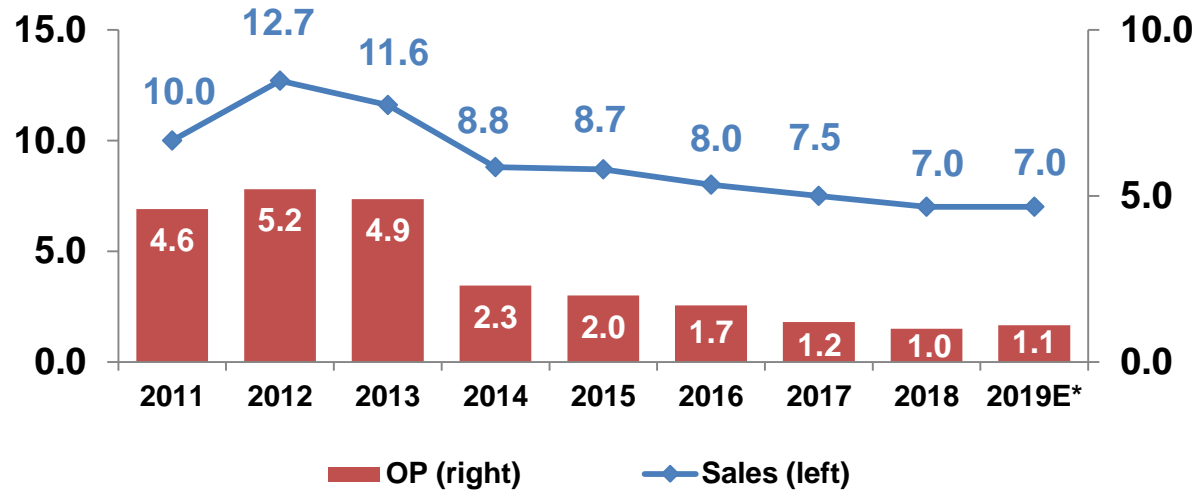
Pharmaceuticals – (A) Recent Financial Performance

1. FY2018 Sales Distribution (¥billion)

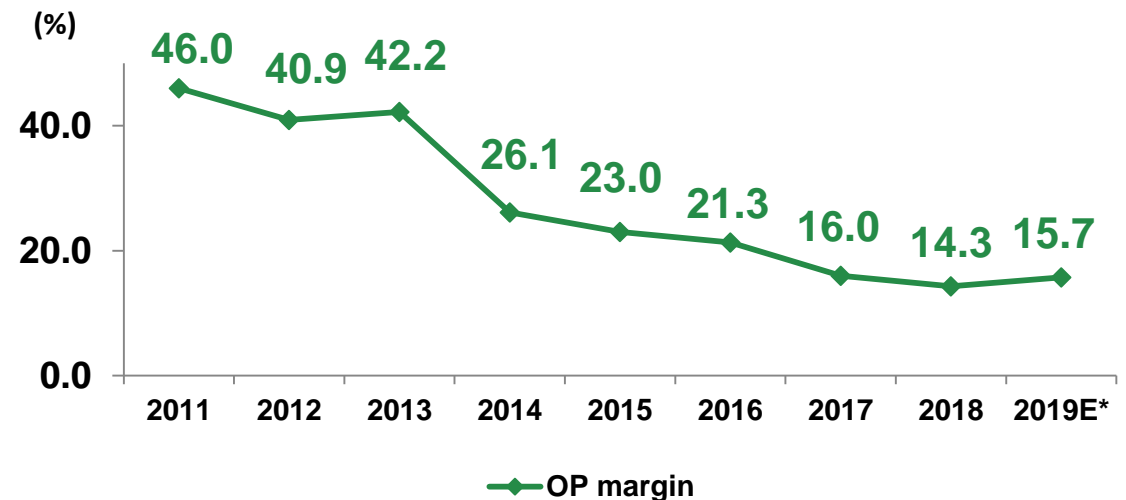
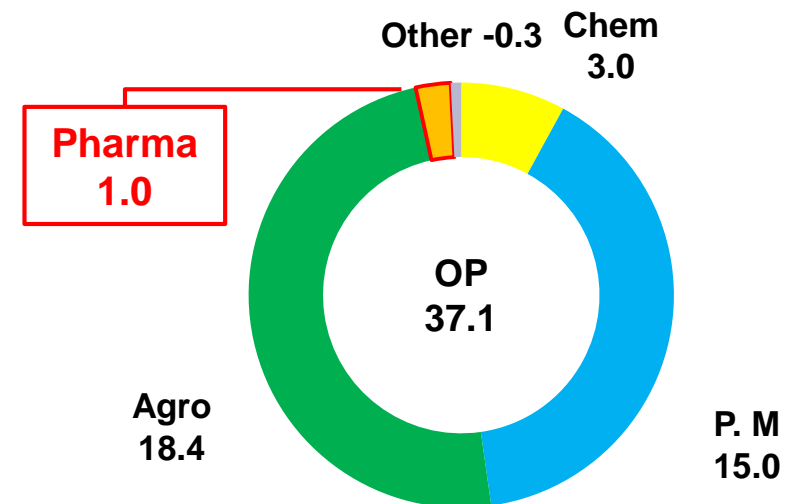


3. Recent Financial Performance (¥billion)

*announced in November 2019



2. FY2018 OP Distribution (¥billion)



Pharmaceuticals – (B) 1-3Q Sales & Profit Review

<Profit Review>

(¥billion)

| | FY2018 Actual (A) | FY2019 Actual (B) | YOY Change (B) - (A) | FY2019 Outlook as of Nov. 2019 (C) | FY2019 Actual vs. Outlook (B) - (C) | FY2018 Actual | FY2019 Actual | FY2019 Outlook as of Nov. 2019 |
|-------|-------------------------|-------------------------|----------------------------|---------------------------------------------|----------------------------------------------|------------------|------------------|--------------------------------------|
| | 3Q | 3Q | 3Q | 3Q | 3Q | 1-3Q | 1-3Q | 4Q |
| Sales | 1.9 | 1.6 | -0.3 | 1.6 | -0.0 | 5.6 | 5.0 | 2.0 |
| OP | 0.4 | 0.1 | -0.3 | 0.2 | -0.1 | 1.0 | 0.6 | 0.4 |

<Sales Review>

| | YOY Change | | vs Plan as of Nov. 2019 (undisclosed) |
|------------------|------------|------|---------------------------------------------|
| | 3Q | 1-3Q | |
| LIVALO | -23% | -16% | Above |
| Custom Chemicals | -8% | -3% | Below |
| Total Segment | -17% | -11% | In Line |

3Q FY2019 Review

<vs. 3Q FY2018>

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

3Q FY2019 Review

<vs. 3Q FY2019 Outlook as of Nov. 2019>

- ◆ LIVALO sales above target
(domestic sales above target, export below target)
- ◆ Custom Chemicals sales below target
- ◆ Sales flat, OP down ¥0.1 billion

ESG and Awards

◆ April 2019

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

◆ June 2019

- Introduced a performance-linked stock compensation plan called a Board Benefit Trust for 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

◆ August 2019

NCC was selected as one of the 50 candidates of the Corporate Value Improvement Award hosted by the Tokyo Stock Exchange for the second consecutive year. The Award targets all listed companies in Japan (approximately 3,600 companies).

◆ September 2019

- NCC was selected as an inclusion in the Dow Jones Sustainability Asia Pacific Index for the second consecutive year

◆ December 2019

- Published “Integrated Reports 2019”

https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2019.pdf

Full Year FY2019 Outlook as of Nov. 2019 (no revision afterwards)

(¥billion)

| | FY2018 Actual | | | | | | | FY2019 Outlook as of Nov. 2019 | | | | | | |
|----------------------------------|---------------|--------|--------|-------|-------|--------|--------|-----------------------------------|--------------|--------------|--------|--------|--------|--------------|
| | 1Q | 2Q | 1H | 3Q | 4Q | 2H | Total | 1Q Actual | 2Q Actual | 1H Actual | 3Q | 4Q | 2H | Total |
| Sales | 50.9 | 47.1 | 98.0 | 43.9 | 63.0 | 106.9 | 204.9 | 48.7 | 47.8 | 96.5 | 42.5 | 70.0 | 112.5 | Record 209.0 |
| Operating Profit | 10.7 | 8.7 | 19.4 | 4.4 | 13.3 | 17.7 | 37.1 | 9.3 | 8.7 | 18.0 | 2.6 | 18.0 | 20.6 | Record 38.6 |
| Non-Operating Income/Expenses | 1.2 | 0.0 | 1.2 | 0.4 | 0.4 | 0.8 | 2.0 | 0.7 | -0.1 | 0.6 | 0.3 | 0.2 | 0.5 | 1.1 |
| Ordinary Income | 11.9 | 8.7 | 20.6 | 4.8 | 13.7 | 18.5 | 39.1 | 10.0 | 8.6 | 18.6 | 2.9 | 18.2 | 21.1 | Record 39.7 |
| Extraordinary Income/Loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 | 0.0 | 0.9 | 0.0 | 0.0 | 0.0 | 0.9 |
| Net Income (1) | 8.8 | 6.6 | 15.4 | 3.4 | 10.6 | 14.0 | 29.4 | 7.8 | 6.7 | 14.5 | 2.3 | 13.8 | 16.1 | Record 30.6 |
| EBITDA (2) | 13.1 | 11.3 | 24.4 | 7.3 | 16.3 | 23.6 | 48.0 | 11.6 | 11.1 | 22.7 | - | - | 26.2 | 48.9 |
| EPS (¥/share) (3) | 59.25 | 44.28 | 103.53 | 23.11 | 71.03 | 94.14 | 197.67 | 53.13 | 45.62 | 98.75 | - | - | 110.17 | 208.92 |
| Dividend (¥/share) | - | - | 40 | - | - | 42 | 82 | - | - | 42 | - | - | 46 | 88 |
| Dividend payout ratio (%) | - | - | - | - | - | - | 41.5 | - | - | - | - | - | - | 42.1 |
| Total amount of Dividend (3) | - | - | 5.9 | - | - | 6.2 | 12.1 | - | - | 6.2 | - | - | 6.7 | 12.9 |
| OP Margin | 21.0% | 18.5% | 19.8% | 10.1% | 21.1% | 16.6% | 18.1% | 19.2% | 18.2% | 18.7% | 6.1% | 25.7% | 18.3% | 18.5% |
| ROE (3) | - | - | - | - | - | - | 16.6% | - | - | - | - | - | - | 16.8% |
| FX Rate (¥/\$) | 109 | 111 | 110 | - | - | 112 | 111 | 110 | 107 | 109 | 108 | 108 | 108 | |
| Naphtha (¥/kl) | 48,700 | 53,500 | 51,200 | - | - | 48,400 | 49,700 | 45,400 | 40,200 | 42,800 | 42,100 | 42,100 | 42,100 | |

(1) Net income = Profit Attributable to Owners of Parent

(2) EBITDA = Operating Profit + Depreciation

(3) FY2019 Outlook including effects of FY2019 share repurchase program ¥10.0 billion (¥6.0 billion completed in July, 2019 and ¥4.0 billion announced in November 2019)

FY2016 - FY2019 Quarterly Sales by Segment (1)

(¥billion)

| | FY2016 Actual | | | | | FY2017 Actual | | | | | FY2018 Actual | | | | | FY2019 Actual | | | FY2019 Outlook as of Nov. 2019 | |
|---------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------|-------|---------------|-------|-------|--------------------------------|-------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 3Q | 4Q |
| 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 | 8.4 | 8.7 | 10.0 | 10.5 |
| 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 | 2.6 | 2.6 | 2.9 | 3.2 |
| 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 | 5.8 | 6.1 | 7.1 | 7.3 |
| 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 | 16.3 | 17.0 | 16.2 | 15.9 |
| 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 | 13.2 | 5.5 | 5.2 | 31.2 |
| 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 | 1.5 | 1.6 | 1.6 | 2.0 |
| 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 | 15.8 | 17.5 | 17.5 | 16.3 |
| 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 | 4.9 | 5.1 | 5.5 | 7.1 |
| 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 | -12.3 | -13.9 | -13.5 | -13.0 |
| 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 | 47.8 | 41.5 | 42.5 | 70.0 |

(1) Including inter-segment sales/transfers

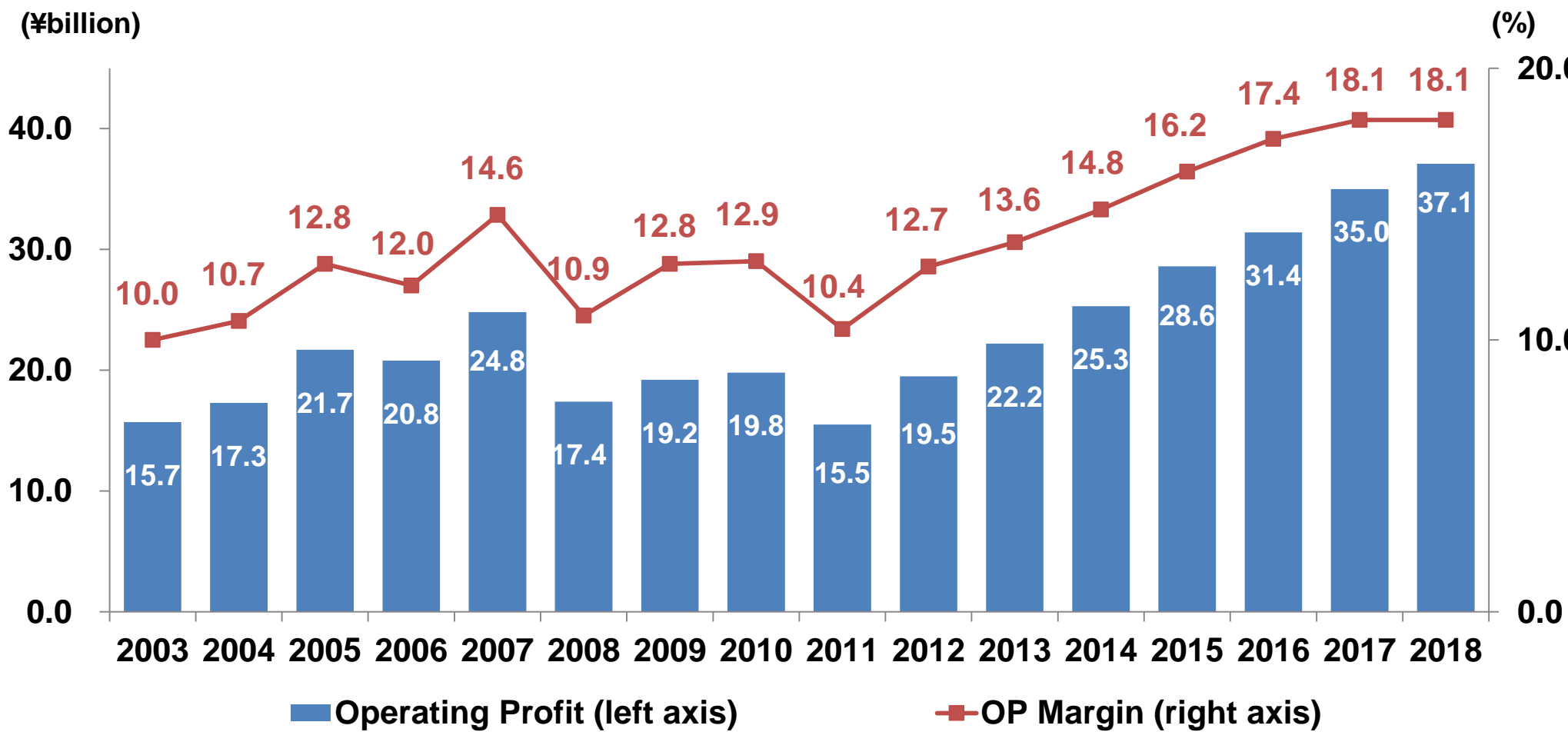
FY2016 - FY2019 Quarterly OP by Segment

(¥billion)

| | FY2016 Actual | | | | | FY2017 Actual | | | | | FY2018 Actual | | | | | FY2019 Actual | | | FY2019 Outlook as of Nov. 2019 | |
|---------|---------------|------|------|------|-------|---------------|------|------|------|-------|---------------|------|------|------|-------|---------------|------|------|--------------------------------|------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 3Q | 4Q |
| 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 | -0.6 | 0.6 | 1.4 | 1.7 |
| 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 | 4.3 | 4.9 | 3.5 | 3.4 |
| 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 | 4.9 | -1.9 | -2.2 | 12.4 |
| 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 | 0.1 | 0.1 | 0.2 | 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 | 0.5 | 0.6 | 0.5 | 0.6 |
| 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 | 0.0 | 0.1 | 0.0 | 0.5 |
| 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 | -0.5 | -1.0 | -0.8 | -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 | 8.7 | 3.4 | 2.6 | 18.0 |

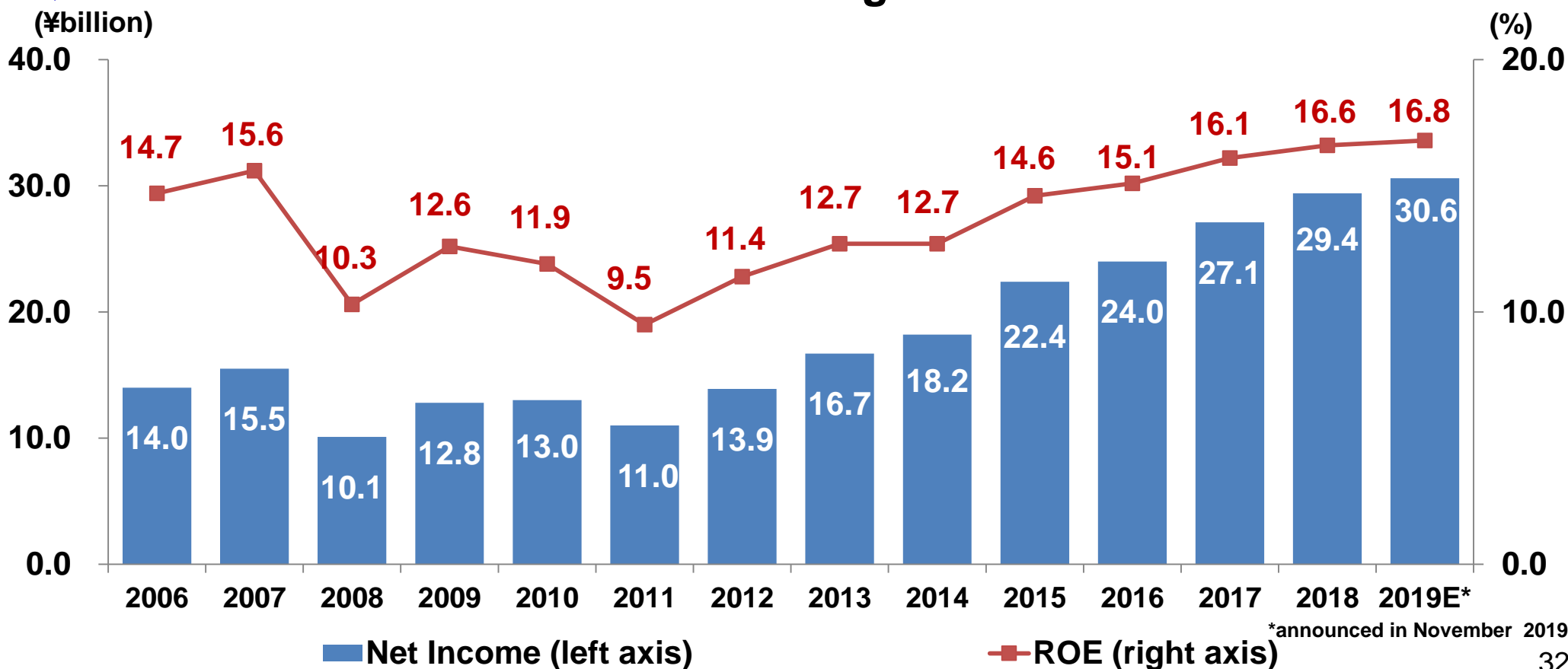
Our Characteristics - (A) Recording Stable OP Margin

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



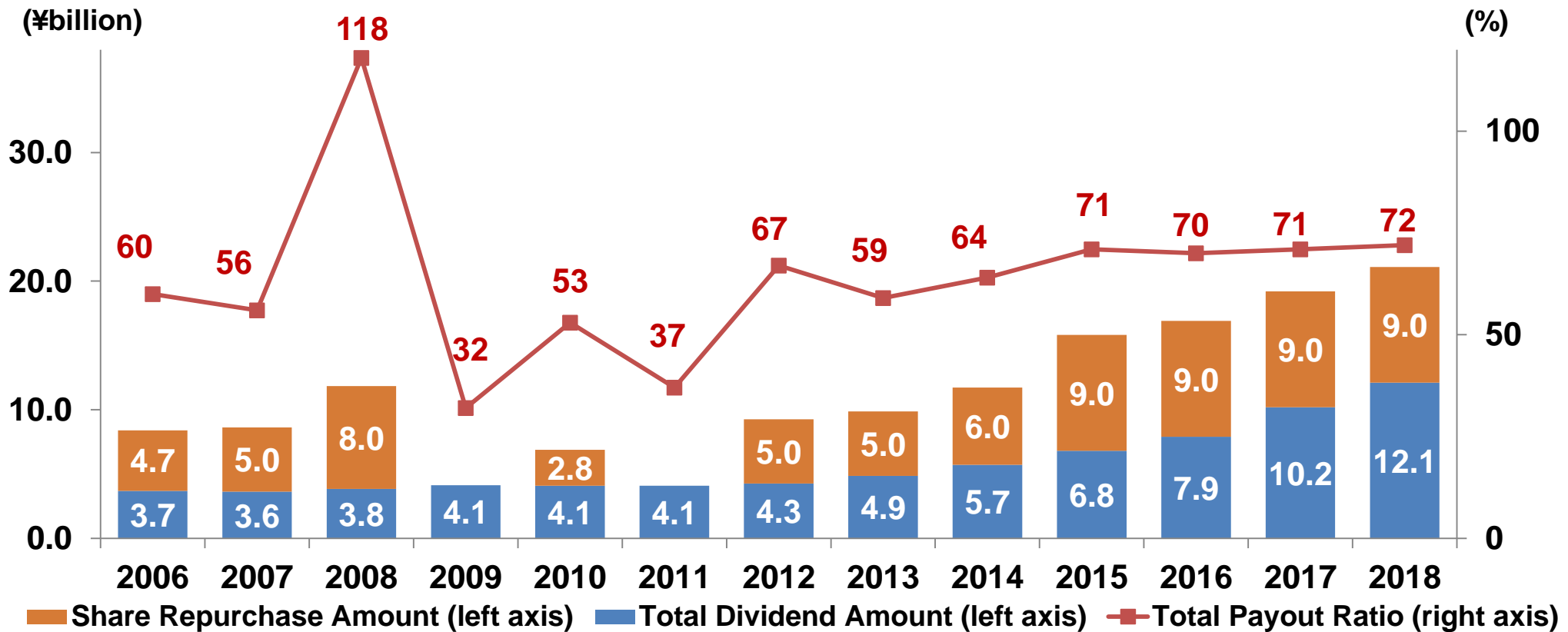
Our Characteristics - (B) High ROE

- ◆ The most important financial indicator for a long time
- ◆ Target : Maintain above 14% (Mid-Term Plan FY2016-2018)
⇒ Achieved in FY2016, 2017 and 2018
- ◆ FY2018 Actual : 16.6%
- ◆ New Mid-Term Plan FY2019-2021 Target : Maintain above 16%



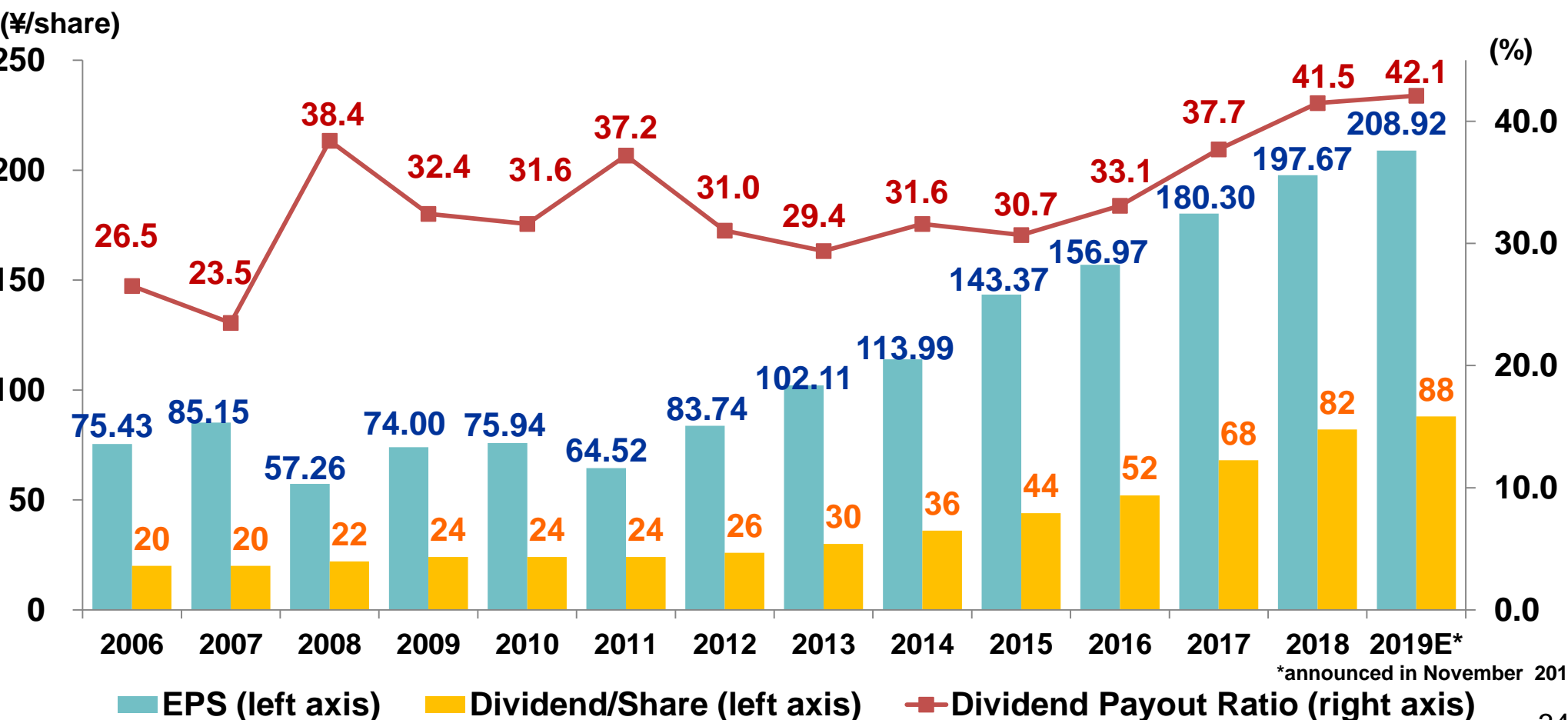
Our Characteristics - (C) Shareholders Return Policy

- ◆ Maintaining an aggressive shareholders return policy
- ◆ Target : Maintain 70% total payout ratio (Mid-Term Plan FY2016-2018)
⇒ Achieved in FY2016, 2017 and 2018
- ◆ FY2018 Actual : 72.0%
- ◆ New Mid-Term Plan FY2019-2021 Target :
72.5% in FY2019, 75% in FY2020 and 2021



Our Characteristics - (D) Shareholders Return Policy - Dividend

- ◆ Gradually increased from 30.7% in FY2015 to 41.5% in FY2018
- ◆ New Mid-Term Plan FY2019-2021 Target :
42.5% in FY2019, 45% in FY2020 and 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 Actual | 2019 Plan as of Nov. 2019 |
|------------------------------------------------------|--------------------------------|----------------------------------|---------------------------------|-----------------------------------|
| Period of repurchase | May 14, 2018 - June 8, 2018 | Feb. 12, 2019 - March 4, 2019 | May 16, 2019 - July 23, 2019 | Nov. 11, 2019 - April 30, 2020 |
| Total amount (¥billion) | 5.0 | 4.0 | 6.0 | up to 4.0 |
| Total number of shares repurchased (thousand shares) | 976 | 706 | 1,270 | up to 1,300 |

◆ Cancellation of treasury shares

| Fiscal year | 2019 Actual | |
|----------------------------------------------------|-------------|-------------|
| Date of cancellation | May 2019 | August 2019 |
| Total number of shares cancelled (thousand shares) | 1,000 | 1,000 |

◆ Cash Management Policy

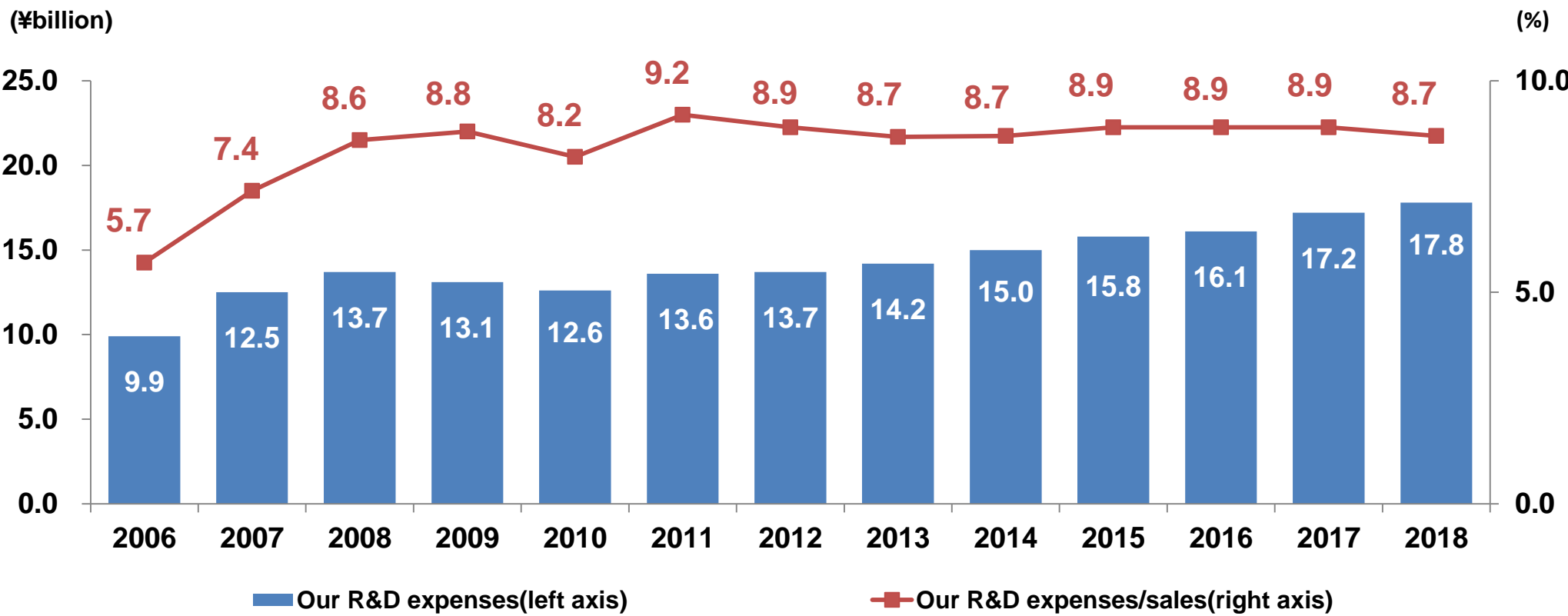
Aiming to control cash balance around the level of

- = 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

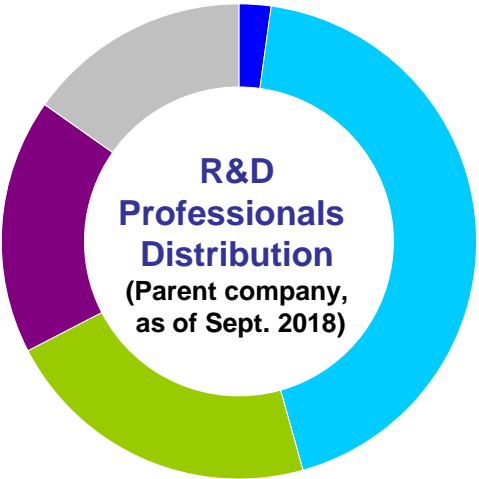
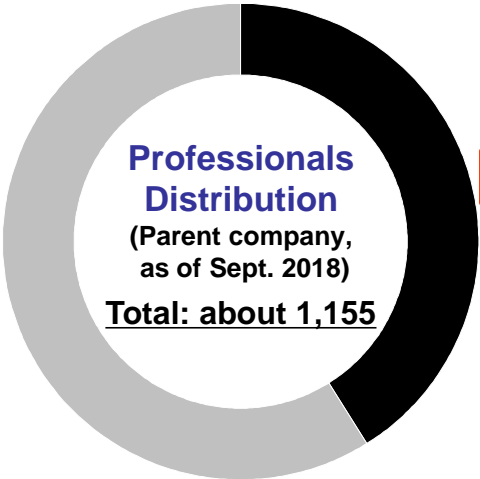
- ◆ FY2018 R&D expenses/sales: 8.7%
- ◆ Maintaining above 8% R&D expenses/sales in recent years
- ◆ About 40% of profession staff assigned to R&D centers



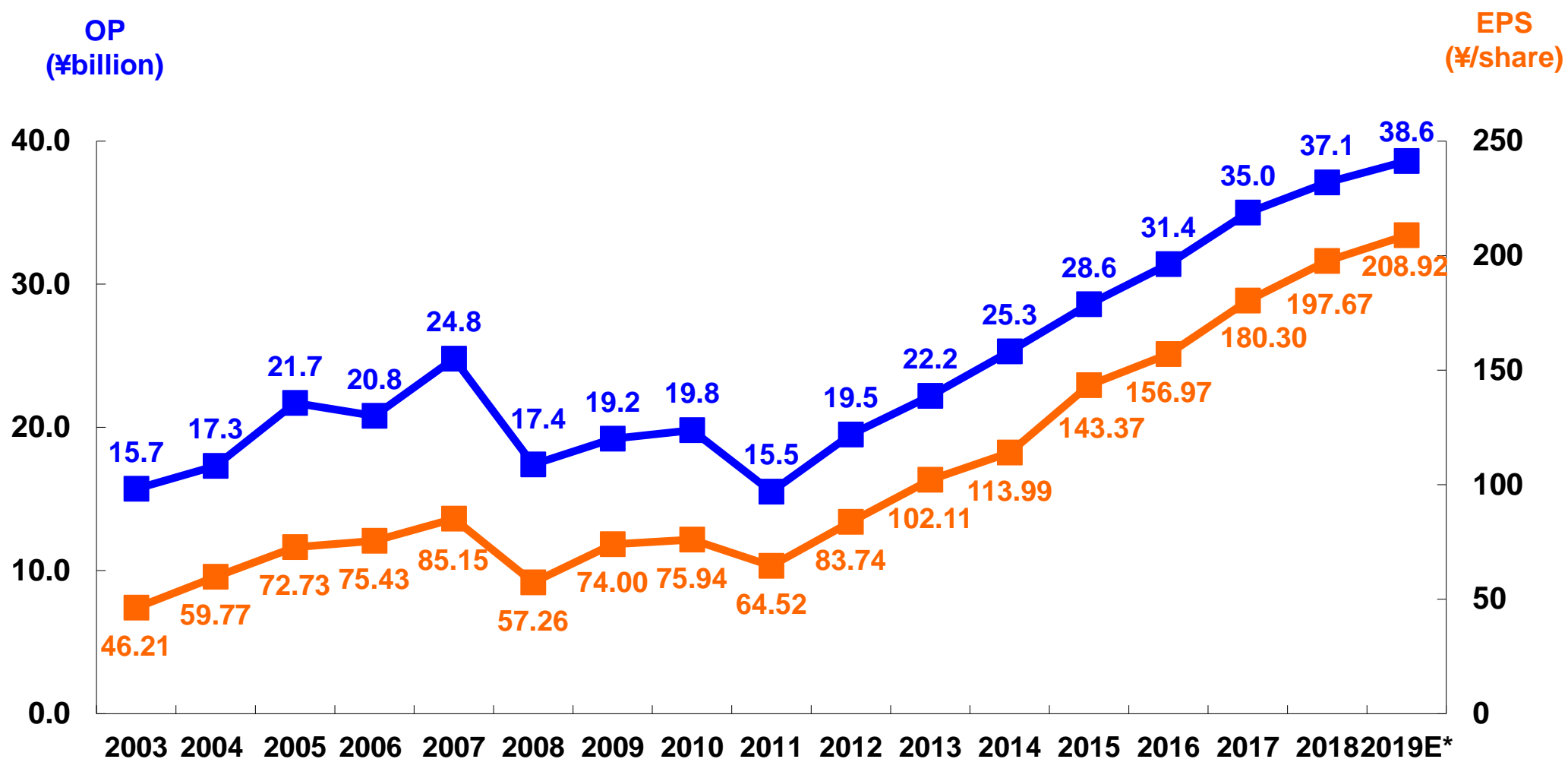
Our Characteristics- (F-2) R&D Oriented Chemical Company

◆ 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



*announced in November 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 | 209.0 |
| Operating Profit | 15.7 | 17.3 | 21.7 | 20.8 | 24.8 | 17.4 | 19.2 | 19.8 | 15.5 | 19.5 | 22.2 | 25.3 | 28.6 | 31.4 | 35.0 | 37.1 | 38.6 |
| 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 | 39.7 |
| 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 | 30.6 |
| 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 | 48.9 |
| 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% | 18.5% |
| 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% | 16.8% |
| 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 | 208.92 |
| 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% | 42.1% |
| Share Repurchase | - | - | - | 4.7 | 5.0 | 8.0 | - | 2.8 | - | 5.0 | 5.0 | 6.0 | 9.0 | 9.0 | 9.0 | 9.0 | 10.0 |
| 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 | 10.1 |
| 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 | 10.3 |
| 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 | 17.5 |
| 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% | 8.4% |

*announced in November 2019

Sales and OP 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 | 37.3 |
| P.M | 38.0 | 34.0 | 37.4 | 42.8 | 49.4 | 51.8 | 52.8 | 58.8 | 63.0 | 63.5 |
| Agro | 34.4 | 33.8 | 35.4 | 39.1 | 45.7 | 47.5 | 52.0 | 58.1 | 62.7 | 64.3 |
| 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 | 67.1 |
| Others | 27.0 | 20.0 | 21.2 | 21.4 | 20.9 | 20.9 | 24.0 | 21.5 | 24.6 | 22.4 |
| Adjust | -37.0 | -30.9 | -34.0 | -37.4 | -42.3 | -41.9 | -46.5 | -46.9 | -56.0 | -52.6 |
| Total | 154.2 | 148.6 | 153.8 | 163.7 | 171.2 | 176.9 | 180.3 | 193.4 | 204.9 | 209.0 |

<Segment Assets (D)>

<OP (B)>

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019E* |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| Chem | 2.4 | 1.6 | 1.9 | 1.9 | 1.9 | 3.9 | 3.8 | 3.4 | 3.0 | 3.4 |
| P.M | 7.9 | 4.8 | 7.2 | 8.8 | 12.0 | 12.0 | 12.5 | 14.2 | 15.0 | 15.1 |
| Agro | 4.8 | 4.4 | 5.0 | 6.2 | 9.2 | 10.8 | 13.2 | 16.4 | 18.4 | 19.6 |
| Pharma | 4.4 | 4.6 | 5.2 | 4.9 | 2.3 | 2.0 | 1.7 | 1.2 | 1.0 | 1.1 |
| Trading | 1.4 | 1.3 | 1.4 | 1.5 | 1.7 | 1.8 | 1.7 | 1.8 | 2.0 | 2.1 |
| 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 | -3.3 |
| Total | 19.8 | 15.5 | 19.5 | 22.2 | 25.3 | 28.6 | 31.4 | 35.0 | 37.1 | 38.6 |

| FY2018 |
|--------|
| 28.7 |
| 51.3 |
| 61.8 |
| 9.1 |
| 25.5 |
| 11.5 |
| 59.1 |
| 247.0 |

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

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019E* |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| Chem | 6.3% | 4.3% | 5.5% | 5.4% | 5.5% | 11.4% | 10.9% | 9.7% | 8.4% | 9.1% |
| P.M | 20.8% | 14.1% | 19.3% | 20.6% | 24.3% | 23.2% | 23.7% | 24.1% | 23.8% | 23.8% |
| Agro | 14.0% | 13.0% | 14.1% | 15.9% | 20.1% | 22.7% | 25.4% | 28.2% | 29.3% | 30.5% |
| Pharma | 45.8% | 46.0% | 40.9% | 42.2% | 26.1% | 23.0% | 21.3% | 16.0% | 14.3% | 15.7% |
| Trading | 3.2% | 2.9% | 3.0% | 3.0% | 3.1% | 3.2% | 3.1% | 3.0% | 2.9% | 3.1% |
| Others | 3.7% | 1.5% | 3.3% | 3.7% | 2.9% | 2.4% | 4.2% | 2.8% | 3.7% | 2.7% |
| Total | 12.9% | 10.4% | 12.7% | 13.6% | 14.8% | 16.2% | 17.4% | 18.1% | 18.1% | 18.5% |

<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

*announced in November 2019

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) Quintec (Quinoxifen) ◆ 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 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