

**November 5, 2015**

**Nissan Chemical,  
- where unique & solution meet**

# **Presentation for Investors**

**1H FY2015 (April 1- September 30, 2015) Financial Results**

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**Presented by Junichi Miyazaki,  
Director and Senior Executive Vice President**

**Translation of presentation materials for the investor meeting held in Tokyo on November 5, 2015**

**NISSAN CHEMICAL INDUSTRIES, LTD.**



# 1H FY2015 PL

(¥billion)

	1H FY2014	1H FY2015	Change	Change (%)	1H FY2015 Outlook as of May 2015
Sales	79.9	Record 83.7	+3.8	+4.7%	85.0
Operating Profit	12.5	Record 14.3	+1.8	+14.1%	12.9
Non-Operating Income/Expenses	0.2	0.8	+0.6	+289.0%	0.7
Ordinary Income	12.7	Record 15.1	+2.4	+18.9%	13.6
Extraordinary Profit/Loss (1)	-0.4	0.0	+0.4	-	-
Net Income (2)	8.9	Record 11.1	+2.2	+26.0%	10.1
EBITDA (3)	16.2	18.7	+2.5	+15.4%	17.6
EPS (¥)	55.15	71.21	+16.06	+29.1%	64.55
Dividend (¥/share)	14	18	+4		18
Total amount of Dividend	2.2	2.8	+0.6		2.8
OP Margin	15.6%	17.0%	+1.4%		15.2%
FX Rate (¥/\$)	103	122			120
Naphtha (¥/KL) (4)	70,400	48,000			54,800
Comprehensive Income	10.2	9.6			

(1) 1H FY2014 -0.4: Product compensation expenses related to caking problems of PULSOR (agrochemical product)

(2) FY2015 Actual/Outlook: Net income = Profit Attributable to Owners of Parent

(3) EBITDA = Operating Profit + Depreciation

(4) Based on Trade Statistics of Japan Ministry of Finance (1H FY2015: Based on actual April-September data)

# 1H FY2015 Review

<vs. 1H FY2014>	(Sales) ◆Up	¥3.8 billion (+5%)	(+) Performance Materials, Agrochemicals, Trading (±) Chemicals (-) Pharmaceuticals
	(OP) ◆Up	¥1.8 billion (+14%)	(+) Chemicals, Agrochemicals (±) Trading (-) Performance Materials Chemicals, Pharmaceuticals
(Non-Operating Income and Expenses)	◆Up	¥0.6 billion	
(Ordinary Income)	◆Up	¥2.4 billion (+19%)	
(Net Income)	◆Up	¥2.2 billion (+26%)	
(EPS)	◆Up	¥16.06 (+29%)	

Sales, OP, Ordinary Income, Net Income renewed the highest results for 1H

## <vs. 1H FY2015 Outlook as of May 2015>

(Sales) ◆Down	¥1.3 billion	(+) Performance Materials, Agrochemicals (-) Chemicals, Pharmaceuticals, Trading
(OP) ◆Up	¥1.4 billion	(+) Performance Materials, Agrochemicals, (±) Chemicals, Trading (-) Pharmaceuticals
(Ordinary Income) ◆Up	¥1.5 billion	
(Net Income) ◆Up	¥1.0 billion	
(EPS) ◆Up	¥6.66	

## <Dividend>

- ◆ 1H ¥18/share, 2H ¥24/share  
(1H up ¥4, 2H up ¥2 vs. FY2014)  
(2H up ¥2 vs. FY2015E as of May 2015)

# 1H FY2015

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

(¥billion)

	1H FY2014	1H FY2015	Change
<b>Non-Operating Income</b>	<b>1.05</b>	<b>1.57</b>	<b>+0.52</b>
Interest income, dividend income	0.31	0.25	-0.06
Equity in earnings of affiliates	0.29	0.45	+0.16
Gain on foreign exchange	0.13	0.13	+0.00
Others	0.32	0.74	+0.42
<b>Non-Operating Expenses</b>	<b>0.83</b>	<b>0.71</b>	<b>-0.12</b>
Interest expense	0.13	0.11	-0.02
Loss on disposal of fixed assets	0.17	0.13	-0.04
Others	0.53	0.47	-0.06
<b>Extraordinary Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Loss</b>	<b>0.39</b>	<b>0.00</b>	<b>+0.39</b>
<b>Comprehensive Income</b>	<b>10.19</b>	<b>9.56</b>	<b>-0.63</b>
Net income	8.85	11.15	+2.30
Non-controlling interests	0.08	0.10	+0.02
Unrealized gains or losses on investment securities	0.75	-1.24	-1.99
Foreign currency translation adjustments	0.54	-0.41	-0.95
Remeasurements of defined benefit plans	-0.03	-0.04	-0.01

# 1H FY2015 Cash Flow

(¥billion)

	1H FY2014	1H FY2015
<b>CF from operating activities</b>	<b>22.9</b>	<b>27.6</b>
Profit before income tax	12.3	15.1
Depreciation & amortization	3.7	4.4
Tax	-3.7	-4.0
Working capital, others	10.6	12.1
<b>CF from investing activities</b>	<b>-2.8</b>	<b>-4.7</b>
Purchase of PPE	-3.8	-4.3
Others	1.0	-0.4
<b>CF from financing activities</b>	<b>-23.3</b>	<b>-27.3</b>
Dividends paid	-2.6	-3.5
Borrowings	-20.7	-17.7
Share repurchase	0.0	-6.0
Others	0.0	-0.1
Effect of FX rate changes on cash & cash equivalents	0.1	-0.2
<b>Change in cash &amp; cash equivalents</b>	<b>-3.1</b>	<b>-4.6</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>27.6</b>	<b>26.9</b>

# Balance Sheets as of September 30, 2015

(¥billion)

	2014/9	2015/3 (A)	2015/9 (B)	Change (B) - (A)
<b>Current assets</b>	112.2	133.5	115.9	-17.6
Cash	27.6	31.3	26.9	-4.4
Accounts receivable	42.6	58.1	43.4	-14.7
Inventories	35.3	36.1	38.1	+2.0
Others	6.7	8.0	7.5	-0.5
<b>Fixed assets</b>	84.6	90.4	89.6	-0.8
Total PPE	47.2	47.1	47.0	-0.1
Intangible assets	0.9	0.7	5.0	+4.3
Investment securities	33.2	38.7	33.5	-5.2
Others	3.3	3.9	4.1	+0.2
<b>Total assets</b>	196.8	223.9	205.5	-18.4

	2014/9	2015/3 (A)	2015/9 (B)	Change (B) - (A)
<b>Liabilities</b>	51.2	72.6	54.7	-17.9
Accounts payable	14.9	15.1	13.6	-1.5
Borrowings	15.5	35.1	17.4	-17.7
Others	20.8	22.4	23.7	+1.3
<b>Net assets</b>	145.6	151.3	150.8	-0.5
<b>Shareholders' equity</b>	136.5	137.6	138.8	+1.2
Unrealized gains or losses on investment securities	6.9	10.7	9.4	-1.3
Foreign currency translation adjustments	0.5	0.9	0.5	-0.4
<b>Non-controlling interests</b>	1.3	1.5	1.5	+0.0
Remeasurements of defined benefit plans	0	0.6	0.6	+0.0
<b>Total liabilities &amp; Net assets</b>	196.8	223.9	205.5	-18.4

- Equity Ratio                      73.3%      66.9%      72.7%
- D/E Ratio (1)                      -8.9%      2.7%      -6.9%
- Change in shareholders' equity 1.2  
= Net Income 11.1 - Dividend and others 9.9

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

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# FY2015 Outlook

(¥billion)

	FY2014 Actual			FY2015 Outlook as of Nov. 2015			Change			Change (%)	FY2015 Outlook as of May 2015		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	Total	1H	2H	Total
Sales	79.9	91.3	171.2	83.7	97.8	Record 181.5	+3.8	+6.5	+10.3	+6%	85.0	96.0	181.0
Operating Profit	12.5	12.8	25.3	14.3	13.7	Record 28.0	+1.8	+0.9	+2.7	+10%	12.9	13.6	26.5
Non-Operating Income/Expenses	0.2	0.9	1.1	0.8	0.4	1.2	+0.6	-0.5	+0.1	+15%	0.7	0.4	1.1
Ordinary Income	12.7	13.7	26.4	15.1	14.1	Record 29.2	+2.4	+0.4	+2.8	+11%	13.6	14.0	27.6
Extraordinary Profit/Loss (1)	-0.4	-0.7	-1.1	0.0	0.0	0.0	+0.4	+0.7	+1.1	-	-	-	-
Net Income	8.9	9.3	18.2	11.1	10.6	Record 21.7	+2.2	+1.3	+3.5	+19%	10.1	10.5	20.6
EBITDA (2)	16.2	17.6	33.8	18.7	19.4	38.1	+2.5	+1.8	+4.3	+13%	17.6	19.3	36.9
EPS (¥/share) (3)	55.15	58.84	113.99	71.21	68.32	139.53	+16.06	+9.48	+25.54	+22%	64.55	67.11	131.66
Dividend (¥/share)	14	22	36	18	24	42	+4	+2	+6		18	22	40
Total amount of Dividend (3)	2.2	3.5	5.7	2.8	3.7	6.5	+0.6	+0.2	+0.8		2.8	3.4	6.2
OP Margin	15.6%	14.1%	14.8%	17.0%	14.0%	15.4%	+1.4%	-0.1%	+0.6%		15.2%	14.2%	14.6%
ROE (4)	-	-	12.7%	-	-	14.1%			+1.4%		-	-	13.4%
FX Rate (¥/\$)	103	117		122	120						120	120	
Naphtha (¥/kl)	70,400	56,700		48,000	51,000						54,800	54,800	
Comprehensive Income	10.2	13.9	24.1	9.6									

(1) 1H FY2014 -0.4: Product compensation expenses related to caking problems of PULSOR (agrochemical product)  
 2H FY2014 -0.7: Cost for dismantling the naphtha pipeline after completion of ammonia feedstock change project

(2) EBITDA = Operating Profit + Depreciation

(3) FY2015E including effects of FY2015 share repurchase program ended on July 9, 2015

# 2H FY2015 Outlook

<vs. 2H FY2014>	(Sales) ◆Up	¥6.5 billion (+7%)	(+) Chemicals, Performance Materials, Agrochemicals, Trading, Pharmaceuticals
	(OP) ◆Up	¥0.9 billion (+7%)	(+) Chemicals, Pharmaceuticals, Trading (-) Performance Materials, Agrochemicals
	(Non-Operating Income and Expenses) ◆Down	¥0.5 billion	
	(Ordinary Income) ◆Up	¥0.4 billion (+3%)	
	(Net Income) ◆Up	¥1.2 billion (+13%)	
	(EPS) ◆Up	¥9.48 (+16%)	

## <vs. 2H FY2015 Outlook as of May 2015>

	(Sales) ◆Up	¥1.8 billion	(+) Agrochemicals, Pharmaceuticals, Trading (±) Chemicals (-) Performance Materials
	(OP) ◆Up	¥0.1 billion	(+) Agrochemicals, Pharmaceuticals, Trading (-) Chemicals, Performance Materials
	(Ordinary Income) ◆Up	¥0.1 billion	
	(Net Income) ◆Up	¥0.1 billion	
	(EPS) ◆Up	¥1.21	

## <Dividend>

- ◆ 1H ¥18/share, 2H ¥24/share  
(1H up ¥4, 2H up ¥2 vs. FY2014)  
(2H up ¥2 vs. FY2015E as of May 2015)

# Full Year FY2015 Outlook

<vs. FY2014>

(Sales)	◆Up	¥10.3 billion (+6%)	(+) Chemicals, Performance Materials, Agrochemicals, Trading (-) Pharmaceuticals
(OP)	◆Up	¥2.7 billion (+10%)	(+) Chemicals, Agrochemicals, Trading (-) Performance Materials, Pharmaceuticals
(Non-Operating Income and Expenses)	◆Up	¥0.1 billion	
(Ordinary Income)	◆Up	¥2.8 billion (+11%)	
(Net Income)	◆Up	¥3.5 billion (+19%)	
(EPS)	◆Up	¥25.54 (+22%)	
(ROE)	◆14.1%	(+1.4%) (FY2015 Mid-Term Business Plan:13.4%)	

Sales, OP, Ordinary Income and Net Income expected to renew the highest results and achieve the FY2015 Mid-Term Business Plan targets (p49)

<vs. FY2015 Outlook as of May 2015>

(Sales)	◆Up	¥0.5 billion	(+) Agrochemicals, Pharmaceuticals (-) Chemicals, Performance Materials, Trading
(OP)	◆Up	¥1.5 billion	(+) Performance Materials, Agrochemicals, Trading (±) Pharmaceuticals (-) Chemicals
(Ordinary Income)	◆Up	¥1.6 billion	
(Net Income)	◆Up	¥1.1 billion	
(EPS)	◆Up	¥7.87	
(ROE)	◆14.1%	(+0.7%)	

<Dividend>

- ◆ 1H ¥18/share, 2H ¥24/share  
(1H up ¥4, 2H up ¥2 vs. FY2014)  
(2H up ¥2 vs. FY2015E as of May 2015)

# FY2015 Outlook

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

	FY2014 Actual	FY2015 Outlook as of Nov. 2015	Change	(¥billion)
<b>Non-Operating Income</b>	<b>2.90</b>	<b>2.58</b>	<b>-0.32</b>	
Interest income, dividend income	0.63	0.59	-0.04	
Equity in earnings of affiliates	1.09	0.85	-0.24	
Gain on foreign exchange	0.48	0.13	-0.35	
Others	0.70	1.01	+0.31	
<b>Non-Operating Expenses</b>	<b>1.86</b>	<b>1.35</b>	<b>-0.51</b>	
Interest expense	0.21	0.20	-0.01	
Loss on disposal of fixed assets	0.33	0.47	+0.14	
Others	1.32	0.68	-0.64	
<b>Extraordinary Profit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Extraordinary Loss</b>	<b>1.10</b>	<b>0.00</b>	<b>-1.10</b>	
<b>Comprehensive Income</b>	<b>24.09</b>	<b>-</b>	<b>-</b>	
Net income	18.20	-	-	
Non-controlling interests	0.18	-	-	
Valuation difference on available-for-sale securities	4.54	-	-	
Foreign currency translation adjustments	0.95	-	-	
Remeasurements of defined benefit plans	0.22	-	-	

# FY2015 Cash Flow Outlook

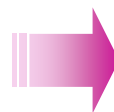
(¥billion)

	FY2014 Actual	FY2015 Outlook as of November 2015	FY2015 Outlook as of May 2015
<b>CF from operating activities</b>	<b>20.4</b>	<b>31.0</b>	<b>28.9</b>
Profit before income tax	25.3	29.2	27.6
Provision for business structure improvement	0.7	0.0	0.0
Depreciation & amortization	8.5	10.1	10.4
Tax	-7.0	-7.6	-7.5
Working capital, others	-7.1	-0.7	-1.6
<b>CF from investing activities</b>	<b>-8.1</b>	<b>-14.0</b>	<b>-15.2</b>
Purchase of PPE	-8.6	-11.9	-12.7
Others	0.5	-2.1	-2.5
<b>CF from financing activities</b>	<b>-12.1</b>	<b>-13.4</b>	<b>-13.3</b>
Dividends paid	-4.8	-6.3	-6.3
Borrowings	-1.2	-1.0	-1.0
Share repurchase	-6.0	-6.0	-6.0
Others	-0.1	-0.1	0.0
Effect of FX rate changes on cash & cash equivalents	0.3	0.0	0.0
<b>Change in cash &amp; cash equivalents</b>	<b>0.5</b>	<b>3.6</b>	<b>0.4</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>31.3</b>	<b>34.9</b>	<b>31.7</b>

# New Segmentation (From October 1, 2013)

## Former Segmentation

Segment	Main Products	
Chem	<b>Fine Chemicals</b>	TEPIC Melamine cyanurate HI-LITE <b>Custom Chemicals</b>
	<b>Basic Chemicals</b>	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Performance Materials	SUNEVER, NHC, ARC® (Bottom anti-reflective coating, Multi layer process materials) Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	
<b>Pharma</b>	<b>LIVALO</b>	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	



## New Segmentation

Segment	Main Products	
Chem	Fine Chemicals	TEPIC Melamine cyanurate HI-LITE
	Basic Chemicals	Melamine Urea, AdBlue Ammonia, Sulfuric acid, Nitric acid High purity chemicals
Performance Materials	SUNEVER, NHC, ARC® (Bottom anti-reflective coating, Multi layer process materials) Micro lens SNOWTEX, Organo silica sol Alumina sol, SUNCOLLOID CELNAX	
Agro	Agro	Herbicides Insecticides Fungicide
	Active substance of Veterinary medical product	
<b>Pharma</b>	<b>LIVALO</b>	
	<b>Custom Chemicals</b>	
Trading	Nissei Corporation	
Others	Nissan Butsuryu, Nissan Green & Landscape, Nissan Engineering, Fertilizer	
Adjustment	R&D expenses of Advanced Materials & Planning Dept. included	

# FY2015 Sales Outlook by Segment<sup>(1)</sup>

(¥billion)

	FY2014 Actual			FY2015 Outlook as of Nov. 2015			Change			Change (%)			FY2015 Outlook as of May 2015		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total
Chem	16.7	17.6	34.3	16.7	18.2	34.9	+0.0	+0.6	+0.6	+0%	+3%	+2%	17.6	18.2	35.8
Fine	5.3	5.3	10.6	5.5	5.3	10.8	+0.2	-0.0	+0.2	+4%	+1%	+3%	5.6	5.4	11.0
Basic	11.4	12.3	23.7	11.2	12.9	24.1	-0.2	+0.6	+0.4	-2%	+5%	+2%	12.0	12.8	24.8
Performance	24.2	25.2	49.4	26.0	25.4	51.4	+1.8	+0.2	+2.0	+7%	+1%	+4%	24.9	26.8	51.7
Agro	18.5	27.2	45.7	21.1	28.0	49.1	+2.6	+0.8	+3.4	+14%	+3%	+7%	20.9	27.6	48.5
Pharma	5.0	3.8	8.8	3.7	5.0	8.7	-1.3	+1.2	-0.1	-25%	+30%	-1%	4.5	4.0	8.5
Trading	27.3	27.1	54.4	27.5	31.5	59.0	+0.2	+4.4	+4.6	+1%	+16%	+8%	28.9	31.2	60.1
Others	8.5	12.4	20.9	8.9	12.0	20.9	+0.4	-0.4	+0.0	+5%	-3%	+0%	9.4	11.8	21.2
Adjustment	-20.3	-22.0	-42.3	-20.2	-22.3	-42.5	+0.1	-0.3	-0.2	-	-	-	-21.2	-23.6	-44.8
<b>Total</b>	<b>79.9</b>	<b>91.3</b>	<b>171.2</b>	<b>83.7</b>	<b>97.8</b>	<b>181.5</b>	<b>+3.8</b>	<b>+6.5</b>	<b>+10.3</b>	<b>+5%</b>	<b>+7%</b>	<b>+6%</b>	<b>85.0</b>	<b>96.0</b>	<b>181.0</b>

(1) Including inter-segment sales/transfers

# FY2015 OP Outlook by Segment

(¥billion)

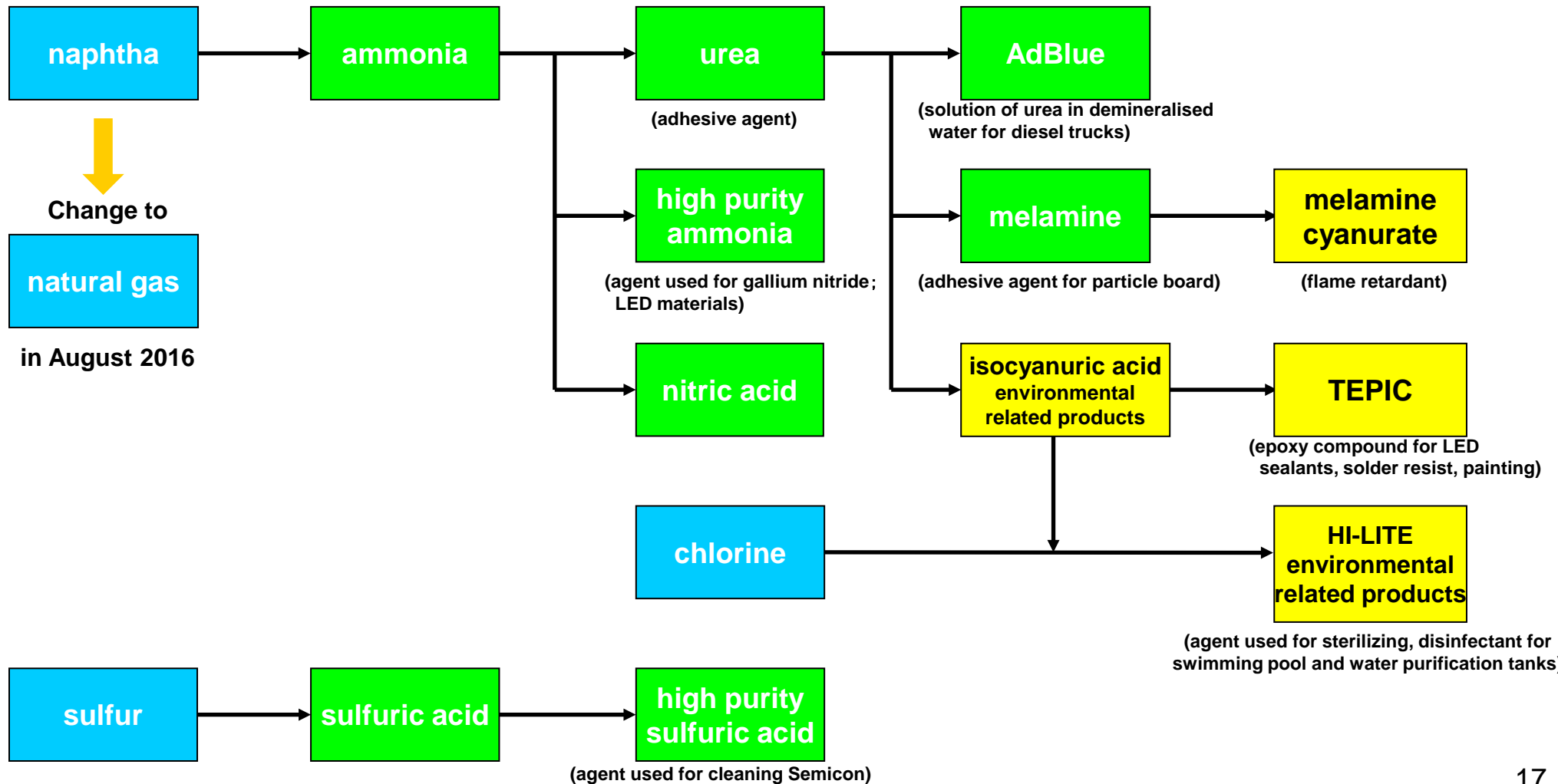
	FY2014 Actual			FY2015 Outlook as of Nov. 2015			Change			Change (%)			FY2015 Outlook as of May 2015		
	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H	2H	Total
Chem	0.4	1.5	1.9	1.4	2.0	3.4	+1.0	+0.5	+1.5	+237%	+35%	+79%	1.4	2.2	3.6
Performance	6.7	5.3	12.0	6.3	4.7	11.0	-0.4	-0.6	-1.0	-5%	-13%	-8%	5.3	5.5	10.8
Agro	4.0	5.2	9.2	6.2	5.1	11.3	+2.2	-0.1	+2.1	+57%	-4%	+22%	5.1	4.5	9.6
Pharma	1.6	0.7	2.3	0.6	1.5	2.1	-1.0	+0.8	-0.2	-61%	+109%	-9%	1.2	0.9	2.1
Trading	0.9	0.8	1.7	0.9	1.1	2.0	-0.0	+0.3	+0.3	-5%	+48%	+19%	0.9	1.0	1.9
Others	-0.1	0.7	0.6	0.0	0.5	0.5	+0.1	-0.2	-0.1	+5%	-13%	-14%	-0.1	0.6	0.5
Adjustment	-1.0	-1.4	-2.4	-1.1	-1.2	-2.3	-0.1	+0.2	+0.1	-	-	-	-0.9	-1.1	-2.0
<b>Total</b>	<b>12.5</b>	<b>12.8</b>	<b>25.3</b>	<b>14.3</b>	<b>13.7</b>	<b>28.0</b>	<b>+1.8</b>	<b>+0.9</b>	<b>+2.7</b>	<b>+14%</b>	<b>+7%</b>	<b>+10%</b>	<b>12.9</b>	<b>13.6</b>	<b>26.5</b>



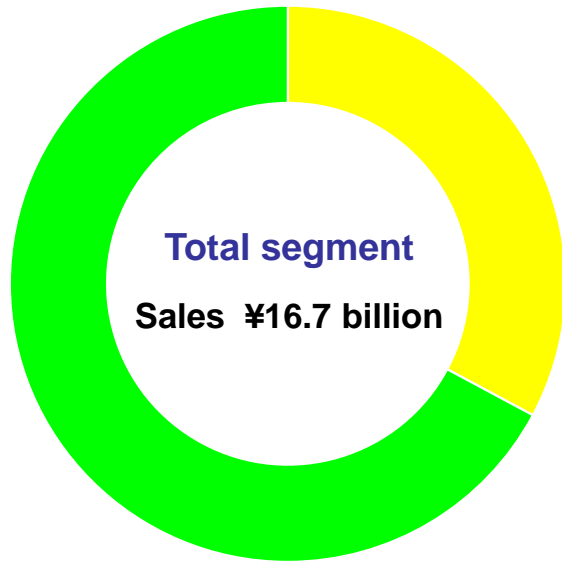
# Chemicals – (A) Flow Chart of Selected Basic and Fine Chemicals Products

- ◆ Core products of Basic Chemicals : Ammonia related products and sulfuric acid related products
- ◆ FY2014 ammonia domestic production capacity share 11%, high percentage of self-consumption of ammonia

  = Purchased materials    
   = Basic Chemicals    
   = Fine Chemicals

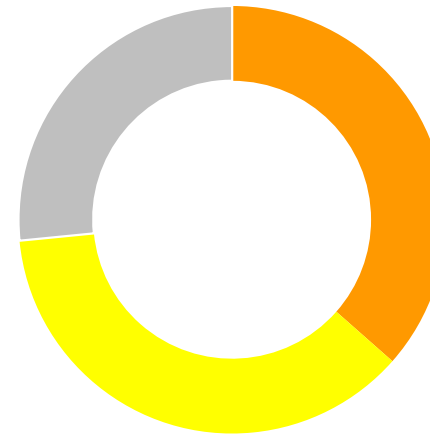


# Chemicals – (B) 1H FY2015 Sales Distribution

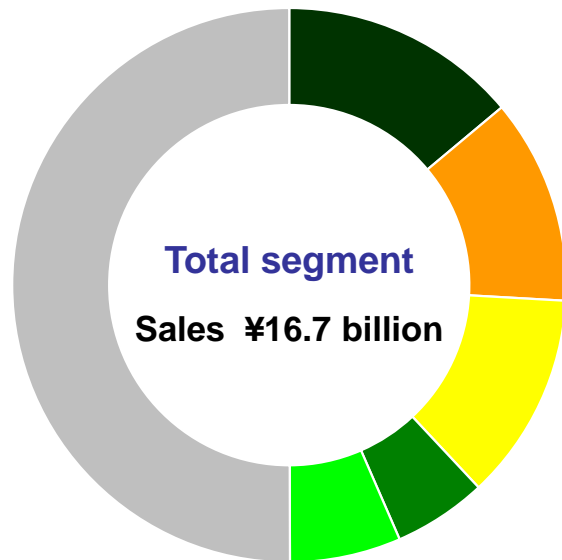


● Fine Chemicals 33%  
● Basic Chemicals 67%

**Fine Chemicals**  
Sales ¥5.5 billion



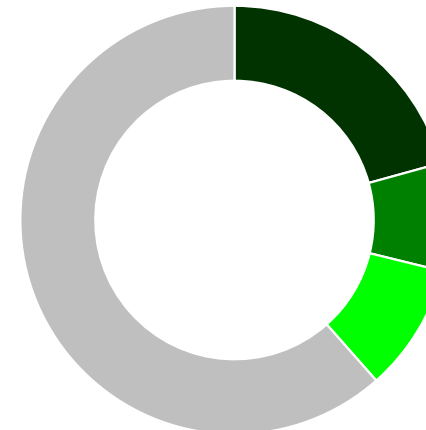
● TEPIC  
● Environmental related products  
● Others



**Main Products** 50%  
**Others** 50%

< Main Products >  
● Melamine  
● TEPIC  
● Environmental related products  
● High purity sulfuric acid  
● Urea/AdBlue  
● Others

**Basic Chemicals**  
Sales ¥11.2 billion

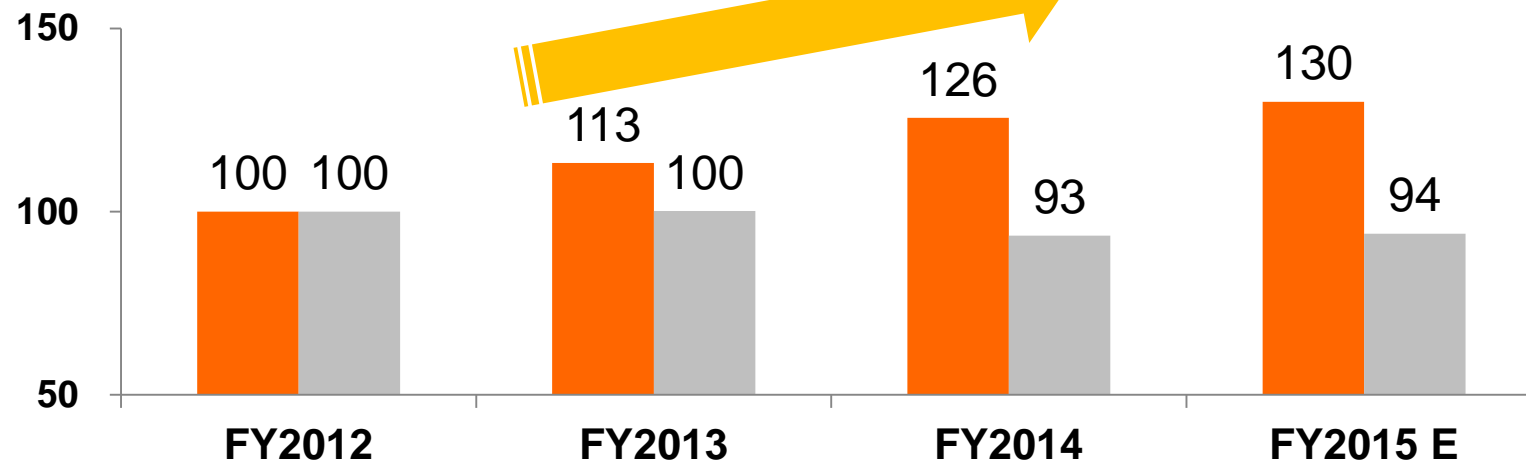


**Main Products** 38%  
**Others** 62%

● Melamine  
● High purity sulfuric acid  
● Urea/AdBlue  
● Others

# Chemicals – (C) Growing Products

## ◆ Sales (FY2012=100)



### ■ Growing Products

TEPIC  
FINEOXCOL  
AdBlue  
High purity ammonia  
Melamine cyanurate  
etc.

### ■ Matured Products

Melamine  
Ammonia  
Urea  
Nitric acid  
etc.

## Growing Products'

% of Total Sales

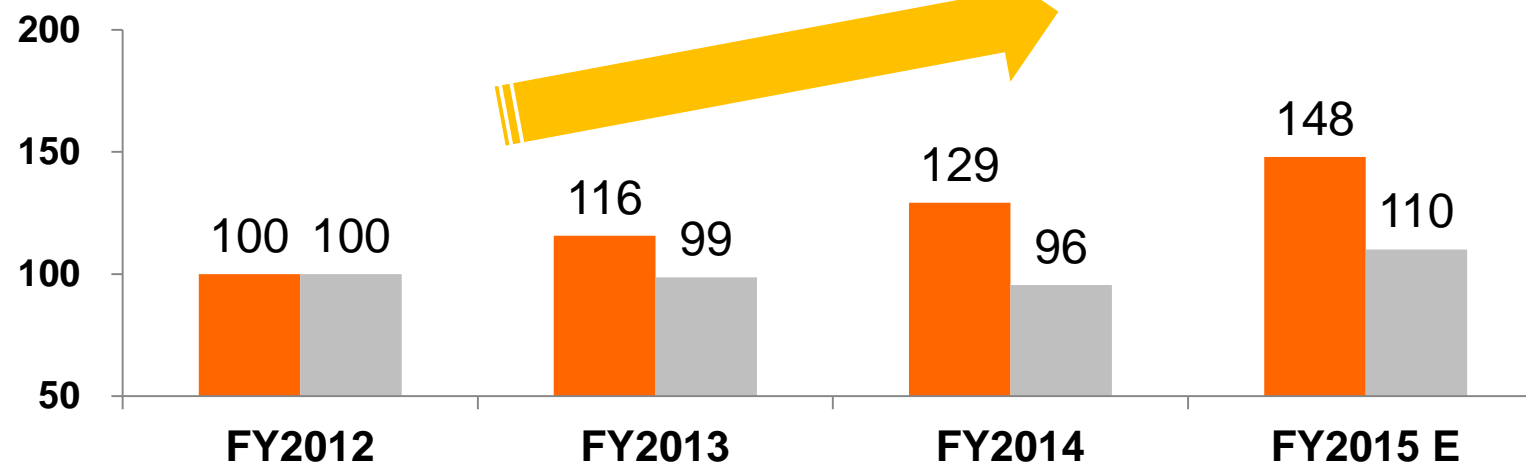
21

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26

## ◆ Marginal Profit (1) (FY2012=100)



(1) Marginal Profit : Sales – Variable Cost

# Chemicals – (D-1) Production Capacity

◆ Production Capacity (FY2012 Production Capacity = 100)

		FY2012	FY2013	FY2014	FY2015E		
Growing Products	TEPIC	100	→		120	Increasing	
	AdBlue [Number of Plants(1)]	100 [ 2 ]	→	150 [ 4 ]	→		160 [ 5 ]
	High purity ammonia	100	→	250			
Matured Products	Ammonia	100	→	80		Decreasing	
	Nitric acid	100	→	80			

(1) Including subcontractors

◆ Completed Cost Saving Investments at Toyama Ammonia Related Plants

Construction Cost: ¥0.5 billion

Cost Savings: ¥0.2-0.3billion/year

Contents: Utility and manpower savings

◆ Ammonia Feedstock Change Project

See Page D-2 (p21)

# Chemicals – (D-2)

## Ammonia Feedstock Change Project

### ◆Project:

Change of feedstock for ammonia production at Toyama Plant from naphtha to natural gas

### ◆Purpose:

To pursue more stable profitability from ammonia and its derivative products by using natural gas

### ◆Construction Cost:

¥ 1.09 billion

### ◆Completion Period:

August 2016

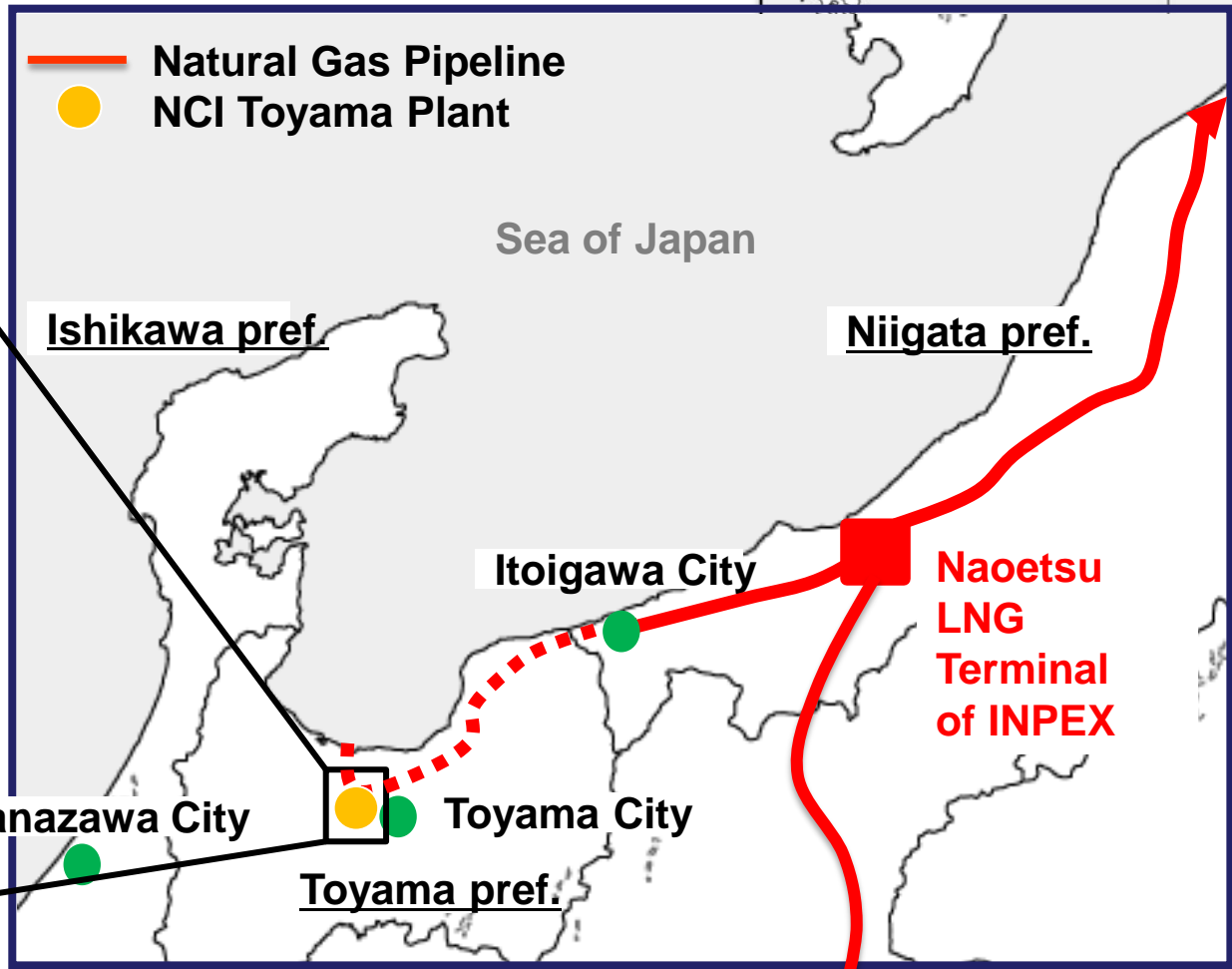
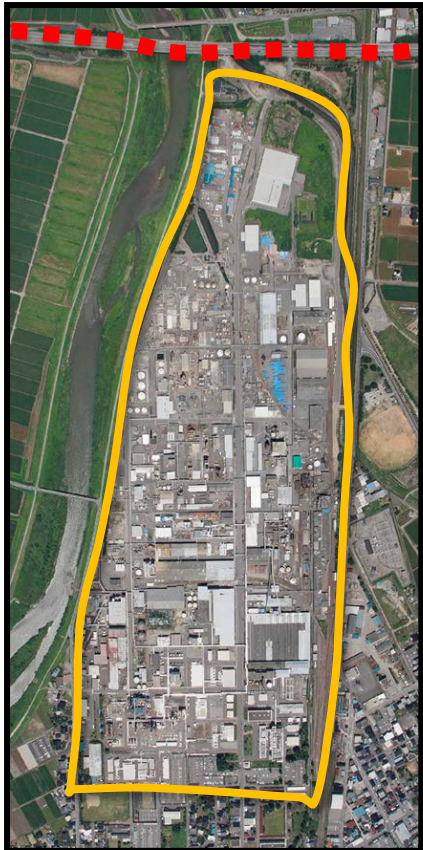
### ◆Extraordinary Loss:

Extraordinary loss of ¥ 704 million incurred in 3Q FY2014 (fiscal year ending in March 2015)  
as cost for dismantling the existing naphtha pipeline after completion of the project

# Chemicals – (D-3)

## Ammonia Feedstock Change Project

— Natural Gas Pipeline  
— NCI Toyama Plant



# Chemicals – (E) Fine Chemicals Subsegment

## 1H FY2015 Sales Review

<vs. 1H FY2014>

- ◆ TEPIC : Sales for general applications down, sales for electronic materials down
- ◆ Environmental related products : Export sales up due to weak yen, domestic sales up due to the recovery from negative impact by FY2013 consumer tax hike seen in FY2014

<vs. 1H FY2015 Outlook as of May 2015>

- ◆ TEPIC : Sales for general applications below target, sales for electronic materials below target
- ◆ Environmental related products : Above target

## 2H FY2015 Sales Outlook

<vs. 2H FY2014>

- ◆ TEPIC : Sales for general applications down, sales for electronic materials down
- ◆ Environmental related products : Export sales up due to weak yen, domestic sales up due to the recovery from negative impact by FY2013 consumer tax hike seen in FY2014

<vs. 2H FY2015 Outlook as of May 2015>

- ◆ TEPIC : Sales for general applications below target, sales for electronic materials in line with target
- ◆ Environmental related products : In line with target

Main Products		Sales YOY Change								
		FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		-1%	+15%	+6%	+7%	+2%	+4%	+4%	+1%	+3%
TEPIC	◆ Epoxy compound for : (A) electronic materials (solder resist, LED sealant), (B) general applications such as powder coating agent for paint ◆ World largest producer	+8%	+25%	+17%	+4%	-9%	-3%	-8%	-11%	-9%
Environmental related products	◆ HI-LITE : made from chlorinated isocyanuric acid, used for sterilizing, disinfectant for swimming pool as well as water purification tank	-15%	-3%	-10%	+11%	+9%	+10%	+18%	+9%	+13%

Two products account for 74% of total consolidated subsegment sales (FY2014)

# Chemicals – (F) Basic Chemicals Subsegment

## 1H FY2015 Sales Review

<vs. 1H FY2014>

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

<vs. 1H FY2015 Outlook as of May 2015>

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

## 2H FY2015 Sales Outlook

<vs. 2H FY2014>

- ◆ Melamine : Domestic sales flat, export sales up
- ◆ Urea/AdBlue : Both urea and AdBlue up
- ◆ High purity sulfuric acid : Up

<vs. 2H FY2015 Outlook as of May 2015>

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

Main Products		Sales YOY Change								
		FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
Total Subsegment		-9%	-6%	-7%	+5%	+5%	+5%	-2%	+5%	+2%
Melamine	◆ Mainly used as adhesive agent for particle board, medium density fiberboard, plywood	-13%	-0%	-6%	+12%	+5%	+8%	+11%	+6%	+8%
Urea/AdBlue	◆ Urea: mainly used for urea formaldehyde resin, adhesive agent ◆ AdBlue: solution of urea in demineralised water for diesel trucks to reduce Nox	-3%	+0%	-1%	+14%	+13%	+13%	+7%	+13%	+10%
High purity sulfuric acid	◆ Used to clean semiconductors ◆ Largest in domestic market	-12%	-11%	-12%	-4%	+8%	+2%	-12%	+1%	-6%

Three products account for 36% of total consolidated subsegment sales(FY2014)



# Chemicals – (G) Profit Overview

(¥billion)

	FY2014 Actual (A)			FY2015 Outlook as of May 2015			FY2015 Outlook(B) as of Nov. 2015			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
<b>Sales</b>	16.7	17.6	34.3	17.6	18.2	35.8	16.7	18.2	34.9	+0.0	+0.6	+0.6	+0%	+3%	+2%
<b>Fine</b>	5.3	5.3	10.6	5.6	5.4	11.0	5.5	5.3	10.8	+0.2	+0.0	+0.2	+4%	+1%	+2%
<b>Basic</b>	11.4	12.3	23.7	12.0	12.8	24.8	11.2	12.9	24.1	-0.2	+0.6	+0.4	-2%	+5%	+2%
<b>OP</b>	0.4	1.5	1.9	1.4	2.2	3.6	1.4	2.0	3.4	+1.0	+0.5	+1.5	+237%	+35%	+79%

## 1H FY2015 Review

<vs. 1H FY2014>

### (Fine Chemicals)

- ◆ Sales of environmental related products up, TEPIC down
- ◆ Sales up, OP up

### (Basic Chemicals)

- ◆ Sales of melamine and urea/AdBlue up, high purity sulfuric acid down
- ◆ Naphtha cost down
- ◆ Sales down, OP up

### (Total Segment)

- ◆ Sales flat, OP up ¥1.0 billion

<vs. 1H FY2015 Outlook as of May 2015>

### (Fine Chemicals)

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

### (Basic Chemicals)

- ◆ Sales of melamine, urea/AdBlue, high purity sulfuric below target
- ◆ Naphtha cost lower than expectations
- ◆ Sales below target, OP above target

### (Total Segment)

- ◆ Sales down ¥0.9billion, OP in line with target

## 2H FY2015 Outlook

<vs. 2H FY2014>

### (Fine Chemicals)

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

### (Basic Chemicals)

- ◆ Sales of melamine, urea/AdBlue, high purity sulfuric acid up
- ◆ Naphtha cost down
- ◆ Sales up, OP up

### (Total Segment)

- ◆ Sales up ¥0.6billion, OP up ¥0.5 billion

<vs. 2H FY2015 Outlook as of May 2015>

### (Fine Chemicals)

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

### (Basic Chemicals)

- ◆ Sales of melamine above target, urea/AdBlue in line with target, high purity sulfuric below target
- ◆ Naphtha cost lower than expectations
- ◆ Sales in line with target, OP below target

### (Total Segment)

- ◆ Sales in line with target, OP down ¥0.2billion

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# Performance Materials – (A) Display Materials

## 1H FY2015 Sales Review

- <vs. 1H FY2014>
- ◆ Total Display Materials up 18%
  - ◆ IPS/FFS and VA up, TN down

## <vs. 1H FY2015 Outlook as of May 2015>

- ◆ Total Display Materials above target
- ◆ IPS/FFS and VA above target, TN below target

## 2H FY2015 Sales Outlook

- <vs. 2H FY2014>
- ◆ Total Display Materials up 1%
  - ◆ IPS/FFS up, VA down, TN down

## <vs. 2H FY2015 Outlook as of May 2015>

- ◆ Total Display Materials below target
- ◆ IPS/FFS, VA, TN below target, Elsource below target

Main Products	Sales YOY Change								
	FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
<b>Total SUNEVER</b>	+22%	+26%	+24%	+7%	+4%	+5%	+18%	+0%	+9%
<b>Other Display Materials (1)</b>	-58%	-43%	-52%	+19%	+475%	+238%	+1%	+97%	+47%
<b>Total Display Materials</b>	+19%	+25%	+22%	+7%	+8%	+8%	+18%	+1%	+9%

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

- ◆ FY2012 capex program of NCK (Korean subsidiary) (approval basis) Started operation in October 2014
  - Display Materials :Expansion of SUNEVER production facilities, warehouses, R&D center
  - Semis Materials :Expansion of ARC® and multi layer process materials production facilities, warehouses

# Performance Materials – (B) Semis Materials

## 1H FY2015 Sales Review

<vs. 1H FY2014>

◆ Total Semis Materials sales down 4%

KrF and ArF up, Other Semis Materials down

<vs. 1H FY2015 Outlook as of May 2015>

◆ Total Semis Materials sales below target

KrF above target, ArF and Other Semis Materials below target

## 2H FY2015 Sales Outlook

<vs. 2H FY2014>

◆ Total Semis Materials sales up 1%

KrF down, ArF up, Other Semis Materials down

<vs. 2H FY2015 Outlook as of May 2015>

◆ Total Semis Materials sales below target

KrF, ArF and Other Semis Materials below target

Main Products		Sales YOY Change								
		FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
KrF		+15%	+19%	+17%	-4%	+3%	+0%	+1%	-4%	-2%
ArF		+19%	+8%	+13%	+7%	+14%	+11%	+3%	+8%	+6%
<b>Bottom anti-reflective coating (ARC®) Total</b>		<b>+17%</b>	<b>+12%</b>	<b>+14%</b>	<b>+2%</b>	<b>+9%</b>	<b>+6%</b>	<b>+2%</b>	<b>+2%</b>	<b>+2%</b>
<b>Other Semis Materials (1)</b>		<b>+42%</b>	<b>+10%</b>	<b>+25%</b>	<b>-10%</b>	<b>+7%</b>	<b>-2%</b>	<b>-23%</b>	<b>-1%</b>	<b>-12%</b>
<b>Total Semis Materials</b>		<b>+23%</b>	<b>+12%</b>	<b>+17%</b>	<b>-1%</b>	<b>+8%</b>	<b>+4%</b>	<b>-4%</b>	<b>+1%</b>	<b>-1%</b>

(1) Multi layer process materials (ARC®), microlens, etc

## ◆ 100% Acquisition of Thin Materials AG (TMAT)

Full Acquisition Date: June 28, 2013

Location: Munich, Germany

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

## ◆ Semis analyzing and evaluation R&D equipment purchasing plan to capture long-term future business:

Total about ¥2.5 billion (FY2015 ¥2.0 billion)

## ◆ Semis materials product development facilities ¥2.8 billion (to be completed in Dec. 2016)

# Performance Materials – (C-1) Inorganic Materials

High performance  
inorganic colloidal materials

## SNOWTEX

colloidal silica  
(water dispersed  
silica sol)

## Alumina sol

water dispersed  
alumina hydrate sol

## SUNCOLLOID

high-refractive index  
metal oxide sol

## Celnax

zinc antimonate sol

## Organo sol

organic solvent dispersed  
silica sol

## < SNOWTEX Characteristics >

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

## < SNOWTEX Key functions >

Polishing

Coating

Binding

## < Application Examples >

### •Polishing

silicon wafer,  
aluminum/glass  
hard discs

### •Coating for

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

### •Binding

catalyst carrier,  
ceramics

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

## 1H FY2015 Sales Review

<vs. 1H FY2014>

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

<vs. 1H FY2015 Outlook as of May 2015>

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

## 2H FY2015 Sales Outlook

<vs. 2H FY2014>

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

<vs. 2H FY2015 Outlook as of May 2015>

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

Main Products		Sales YOY Change (1)								
		FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
		1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
SNOWTEX	◆ Mainly Used for : (A) polishing materials (silicon wafer, aluminum and glass hard disk), (B) non-polishing materials ( NOx reduction catalyst, automobile catalyst, special steel sheet)	+3%	+7%	+5%	-3%	+3%	-0%	+4%	+2%	+3%
Organo sol	◆ Used for : hard coating materials, electronic information materials	-10%	+7%	-2%	+3%	-15%	-6%	+18%	-16%	-0%

(1) Non-consolidated basis

# Performance Materials – (D) Profit Overview

(¥billion)

	FY2014 Actual (A)			FY2015 Outlook as of May 2015			FY2015 Outlook(B) as of Nov. 2015			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	24.2	25.2	49.4	24.9	26.8	51.7	26.0	25.4	51.4	+1.8	+0.2	+2.0	+7%	+1%	+4%
OP	6.7	5.3	12.0	5.3	5.5	10.8	6.3	4.7	11.0	-0.4	-0.6	-1.0	-5%	-13%	-8%

## 1H FY2015 Review

<vs. 1H FY2014>

- ◆ SUNEVER sales up (IPS/FFS and VA up, TN down)
- ◆ Total Semis Materials sales down  
(KrF and ArF up, other semis materials down)
- ◆ Inorganic Materials sales up (SNOWTEX up, organo sol up)
- ◆ Fixed cost up
- ◆ Sales up ¥1.8billion, OP down ¥0.4billion

<vs. 1H FY2015 Outlook as of May 2015>

- ◆ SUNEVER sales above target  
(IPS/FFS and VA above target, TN below target)
- ◆ Total Semis Materials sales below target  
(KrF above target, ArF and other semis materials below target)
- ◆ Inorganic Materials sales above target  
(SNOWTEX, organo sol above target)
- ◆ Fixed cost below expectations
- ◆ Sales up ¥1.1billion, OP up ¥1.0billion

## 2H FY2015 Outlook

<vs. 2H FY2014>

- ◆ SUNEVER sales flat (IPS/FFS up, VA and TN down)
- ◆ Total Semis Materials sales up  
(ArF up, KrF and other semis materials down)
- ◆ Inorganic Materials sales up (SNOWTEX up, organo sol down)
- ◆ Fixed cost up
- ◆ Sales up ¥0.2billion, OP down ¥0.6billion

<vs. 2H FY2015 Outlook as of May 2015>

- ◆ SUNEVER sales below target (IPS/FFS, VA and TN below target)
- ◆ Total Semis Materials sales below target  
(KrF, ArF and other semis materials below target)
- ◆ Inorganic Materials sales below target  
(SNOWTEX, organo sol below target)
- ◆ Elsource (Hole injection layer materials for OLED) below target
- ◆ Fixed cost up
- ◆ Sales down ¥1.4billion, OP down ¥0.8billion

(Blank)



# Agrochemicals – (A) Sales YOY Change (Before Discount)

		Non-consolidated Sales YOY Change		
Main Products (in order of FY2014 sales amount)		FY2014 /FY2013	FY2015E/FY2014 as of May 2015	FY2015E/FY2014 as of Nov. 2015
ROUNDUP	herbicide	↗↗↗↗	↗	↗
ALTAR (NC-620)	herbicide	↗↗↗↗	↗↗↗↗	↗↗↗↗
PERMIT	herbicide	↗↗	↗↗↗	↘↘
TARGA	herbicide	↗↗↗↗	↘↘	↗
SIRIUS	herbicide	↘↘↘↘	↗↗↗↗	↘↘
PULSOR (THIFLUZAMIDE)	fungicide	↗↗↗↗	↗↗↗↗	↗↗↗↗
STARMITE	miticide	↗	↗	↘
LEIMAY	fungicide	↗↗	↗↗↗↗	↗↗↗↗
SANMITE	insecticide	↘	↘	↗↗

**YOY Change**

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

# Agrochemicals – (B) Overview

- ◆ Transforming from a stable profit sector into a high growth sector driven by ALTAIR (new paddy rice herbicide), ROUNDUP and FLURALANER
- ◆ Strengthening product portfolio by: in-house developed products, acquired products, licensed-in products
 

(launch)	(products)
FY2002	<b>ROUNDUP</b> (herbicide, acquired domestic business from Monsanto)
FY2008	<b>LEIMAY</b> (fungicide, in-house) <b>STARMITE</b> (miticide, in-house)
FY2009	<b>PULSOR (THIFLUZAMIDE)</b> (fungicide, acquired from Dow) <b>PREVATHON</b> (insecticide, licensed from DuPont)
FY2010	<b>AVH</b> (herbicide, licensed from ZEN-NOH, Bayer and Hokko) <b>ROUNDUP AL</b> for general household market, growing steadily
FY2011	<b>ALTAIR(NC-620)</b> (paddy rice herbicide, in-house) launched in Korea
FY2012	<b>ALTAIR(NC-620)</b> (paddy rice herbicide, in-house) launched in Japan
FY2013	Shipment of <b>fluralaner</b> to MSD started in July as scheduled
FY2014	<b>BRAVECTO</b> launched in several countries in EU in April and in the USA in June <b>EXIREL/PYROSSO (CYAZYPYR)</b> (insecticide, licensed from DuPont)
FY2015	<b>BRAVECTO</b> launched in Japan in July by Intervet K.K
FY2016	<b>Fruits/vegetables/paddy rice insecticide</b> (licensed-in product), <b>Fruits/vegetables fungicide</b> (licensed-in product)
FY2019-	<b>Insecticide</b> (in-house)

MSD: MSD Animal Health, the global animal health business unit of Merck  
Intervet K.K: a Japanese subsidiary of MSD

- ◆ Full reconstruction of Biological Research Laboratories for Agro and Pharma segments  
FY2010-2017 Total capex ¥6.4 billion (FY2015-2017 last phase ¥1.3 billion)
- ◆ Acquired 3% share of IHARABRÁS (leading agro company in Brazil) in September 2011  
to strengthen R&D and marketing capabilities in the rapidly growing market in Latin America
- ◆ Established a subsidiary in China in April 2014 for sales support and technical/marketing services
- ◆ Export sales account for 31% of FY2015E non-consolidated segment sales  
(Asia:34%, Europe/Africa:47%, North/Central/South America:19%) \*Including Fluralaner

# Agrochemicals – (C) Fluralaner

## ◆ Fluralaner

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

## ◆ BRAVECTO

\*Developed by MSD Animal Health

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

\*Launched by MSD in Germany, Spain, Italy, France, the Netherlands and the United Kingdom in April 2014, and in the USA in June 2014 (at present, launched in more than 50 countries)

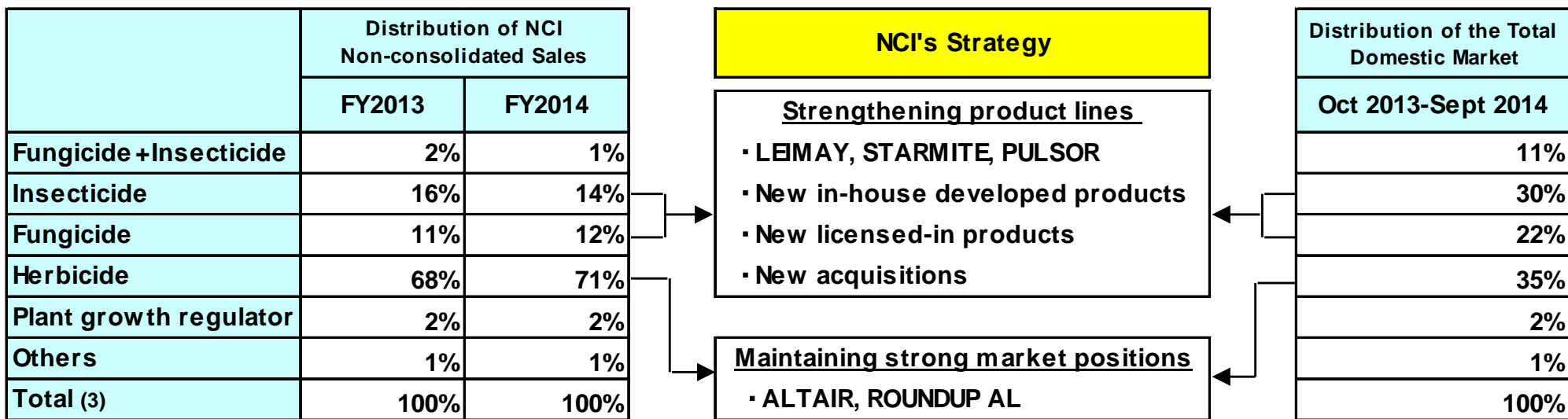
\*Launched by Intervet K.K. in Japan in July 2015

# Agrochemicals – (D) Non-consolidated Segment Sales (before discount)

	Non-consolidated Sales YOY Change								
	FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2015		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
<b>ROUNDUP</b>	<b>+30%</b>	<b>+9%</b>	<b>+17%</b>	<b>+3%</b>	<b>+3%</b>	<b>+3%</b>	<b>+2%</b>	<b>+3%</b>	<b>+3%</b>
(ROUNDUP AL(1))	(+61%)	(+52%)	(+59%)	(+29%)	(-8%)	(+20%)	(+27%)	(+10%)	(+23%)
<b>Others(2)</b>	<b>+7%</b>	<b>+16%</b>	<b>+13%</b>	<b>+21%</b>	<b>+1%</b>	<b>+8%</b>	<b>+18%</b>	<b>+2%</b>	<b>+7%</b>
<b>Total Segment</b>	<b>+13%</b>	<b>+14%</b>	<b>+14%</b>	<b>+16%</b>	<b>+2%</b>	<b>+7%</b>	<b>+14%</b>	<b>+2%</b>	<b>+6%</b>

(1) ROUNDUP for general household, launched in FY2010, accounting for 10% of FY2014 ROUNDUP sales

(2) Including Fluralaner



(3) Excluding Fluralaner

# Agrochemicals – (E) Profit Overview

(¥billion)

	FY2014 Actual (A)			FY2015 Outlook as of May 2015			FY2015 Outlook(B) as of Nov. 2015			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
Sales	18.5	27.2	45.7	20.9	27.6	48.5	21.1	28.0	49.1	+2.6	+0.8	+3.4	+14%	+3%	+7%
OP	4.0	5.2	9.2	5.1	4.5	9.6	6.2	5.1	11.3	+2.2	-0.1	+2.1	+57%	-4%	+22%

## 1H FY 2015 Review

<vs. 1H FY2014>

- ◆ ROUNDUP, PERMIT(export), ALTAIR, SIRIUS, TARGA(export) sales up
- ◆ Fluralaner revenues up
- ◆ Sales up ¥2.6billion, OP up ¥2.2billion

<vs. 1H FY2015 Outlook as of May 2015>

- ◆ ALTAIR, TARGA(export), sales above target, ROUNDUP, PULSOR(export), PERMIT(export), SIRIUS sales below target
- ◆ Fluralaner revenues above target
- ◆ Fixed cost below expectations
- ◆ Sales up ¥0.2billion, OP up ¥1.1billion

## 2H FY 2015 Outlook

<vs. 2H FY2014>

- ◆ ROUNDUP, PULSOR(export), ALTAIR sales up, PERMIT(export), TARGA(export) sales down
- ◆ Fluralaner revenues up
- ◆ Fix cost up
- ◆ Sales up ¥0.8billion, OP down ¥0.1billion

<vs. 2H FY2015 Outlook as of May 2015>

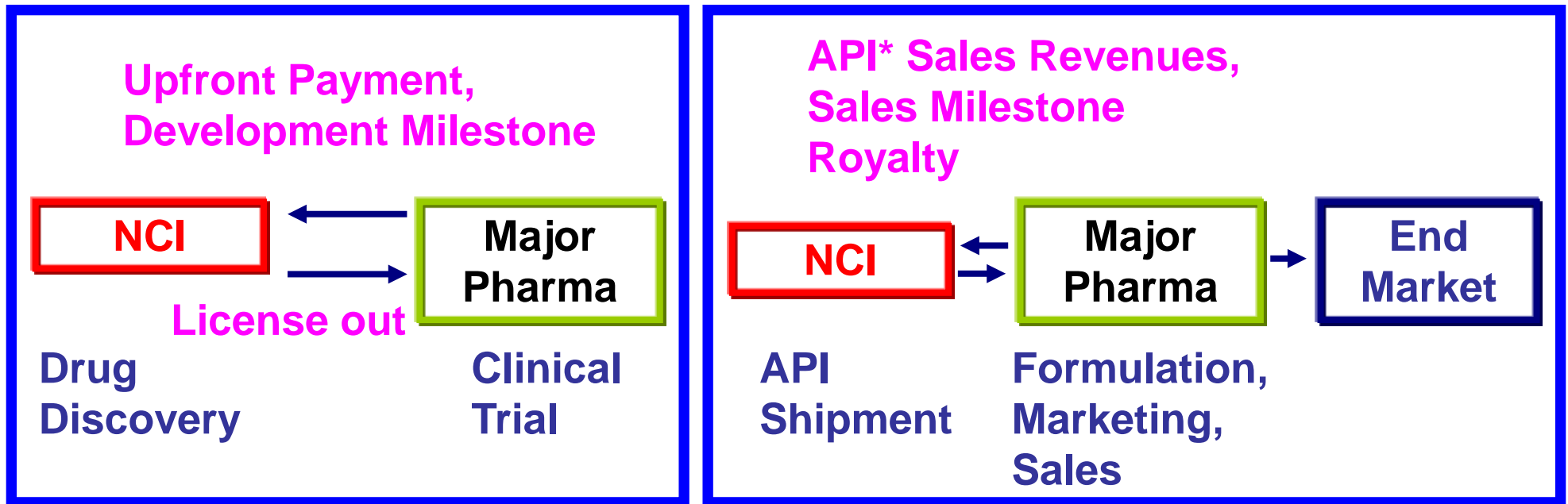
- ◆ ALTAIR, TARGA(export), PULSOR(export) sales above target, ROUNDUP sales in line with target, SIRIUS sales below target
- ◆ Fluralaner revenues above target
- ◆ Fixed cost above expectations
- ◆ Sales up ¥0.4billion, OP up ¥0.6billion

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# Pharmaceuticals – (A) NCI Business Model

- ◆ Unique ethical pharma business model without sales force

< Before Launch > → < After Launch >



API\*: Active Pharmaceutical Ingredient

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

	FY2013 Actual	FY2014 Actual	FY2015 Outlook as of May 2015	FY2015 Outlook as of Nov. 2015
Domestic End Market Sales (NHI drug price basis, ¥billion)	52.6	34.5	-	-
Domestic End Market Share (1)	21%	16%	-	-
Our Domestic and Export API Sales (¥billion)	10.2	6.9	5.7	5.9
Our Domestic and Export API Sales YOY Change (Our Domestic API Sales YOY Change)	-2% (-2%)	-32% (-46%)	-17% (-28%)	-15% (-28%)

(1) Excluding generic

- ◆ Domestic market share 16% in FY2014
- ◆ Full reconstruction of Biological Research Laboratories (FY2010-2017)
- ◆ January - February 2013, crystalline form patents approved
- ◆ August 2013, domestic compound patent expired
- ◆ FY2014 NHI drug price cut about 5%

FY2014 Domestic Market Share(1)	
Crestor	48%
Lipitor	21%
<b>LIVALO</b>	<b>16%</b>
Mevalotin	9%

- ◆ Filed complaints against 16 entities which are generic drug marketing authorization holders of LIVALO, seeking injunctive relief to cease and desist from infringing upon the crystalline form patent rights owned by NCI
- ◆ Filed complaints against certain companies in USA which had submitted Abbreviated New Drug Application(ANDA) with FDA



# Pharmaceuticals – (C) LIVALO World Wide Strategy

Region	Country	Launch	Business Partner
Asia	Japan	Sep 2003	Kowa
	Korea	Jul 2005	JW Pharmaceutical
	Thailand	Jan 2008	Biopharm Chemicals
	China	Jul 2009	Kowa (Shanghai) Pharma
	Indonesia	May 2012	Tanabe Indonesia
	Taiwan	Jun 2012	Taiwan Tanabe
North America	USA	Jun 2010	Kowa (KPA)
Latin America	Mexico, Brazil, Colombia, Venezuela	Feb 2012-	Eli Lilly
Europe	Spain, Portugal, Ukraine, Greece	May 2011-	Recordati
	Switzerland	Jan 2013	Eli Lilly
Middle and Near East	Lebanon, Jordan, UAE, Kuwait, Saudi Arabia	Mar 2011-	Algorithm SAL

Selling in total 21 countries

# Pharmaceuticals – (D) Pipeline

Product	Mechanism of action	Expected indications	Development partners
<b>NT-702</b>	<ul style="list-style-type: none"> <li>Phosphodiesterase (PDE)3 inhibition</li> </ul>	<ul style="list-style-type: none"> <li>Intermittent claudication</li> <li>Asthma</li> </ul>	<ul style="list-style-type: none"> <li>Terminated the license agreement with Taisho</li> <li>Under consideration regarding seeking new partners</li> </ul>
<b>NTC-801</b>	<ul style="list-style-type: none"> <li>Acetylcholine-activated K<sup>+</sup> channel current (IKACH) inhibition</li> </ul>	<ul style="list-style-type: none"> <li>Arrhythmia (Atrial fibrillation)</li> </ul>	<ul style="list-style-type: none"> <li>Terminated the license agreement with Teijin and BMS in September 2015</li> <li>Under consideration regarding seeking new partners</li> </ul>
<b>NIP-022</b>	<ul style="list-style-type: none"> <li>Thrombopoietin (TPO) receptor activation</li> </ul>	<ul style="list-style-type: none"> <li>Thrombocytopenia</li> </ul>	<ul style="list-style-type: none"> <li>Terminated the license agreement with Ono in April 2014</li> <li>Entered into the license agreement with Yakult in October 2015</li> <li>Preparing clinical trials in Japan</li> </ul>

## ◆ Novel drug discovery research

Focusing on cardiovascular disease and neurological disease as core therapeutic areas to create innovative medicines by using the strategic chemical library, the precise organic synthesis technology and the state-of-the-art evaluation technology

# Pharmaceuticals – (E) Custom Chemicals

- ◆ Custom manufacturing and process researching services for pharmaceutical ingredients and intermediates from pre-clinical to commercial production stages
- ◆ October 2013, Custom Chemicals shifted from Chemicals Segment to Pharma Segment to seek synergy of the two divisions (organic synthesis technology, R&D/manufacturing/quality control systems)
- ◆ Focusing on obtaining new contracts including high activity and high-valued added GE API products (Prostaglandin and vitamin D3, etc.)

Sales YOY Change								
FY2014 Actual			FY2015 Outlook as of May 2015			FY2015 Outlook as of Nov. 2014		
1H	2H	Total	1H	2H	Total	1H Actual	2H	Total
+44%	+45%	+45%	+15%	+22%	+18%	-6%	+60%	+23%

## 1H FY2015 Sales Review

<vs. 1H FY2014>

- ◆ Down due to shipments shifted to 2H

<vs. 1H FY2015 Outlook as of May 2015>

- ◆ Below target due to shipments shifted to 2H

## 2H FY2015 Sales Outlook

<vs. 2H FY2014>

- ◆ Up (Existing contracts sales up, shipments shifted from 1H, new contracts for high value-added GE API products)

<vs. 2H FY2015 Outlook as of May 2015>

- ◆ Above target due to shipments shifted from 1H, and new contracts

# Pharmaceuticals – (F) Profit Overview

(¥billion)

	FY2014 Actual (A)			FY2015 Outlook as of May 2015			FY2015 Outlook(B) as of Nov. 2015			Change (B) – (A)			Change(%) (B) – (A)		
	1H	2H	Total	1H	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total	1H Actual	2H	Total
<b>Sales</b>	5.0	3.8	8.8	4.5	4.0	8.5	3.7	5.0	8.7	-1.3	+1.2	-0.1	-25%	+30%	-1%
<b>OP</b>	1.6	0.7	2.3	1.2	0.9	2.1	0.6	1.5	2.1	-1.0	+0.8	-0.2	-61%	+109%	-9%

## 1H FY 2015 Review

<vs. 1H FY2014>

- ◆ Domestic LIVALO sales down
- ◆ Export LIVALO sales up
- ◆ Custom Chemicals sales down and OP up
- ◆ Sales down ¥1.3billion, OP down ¥1.0billion

<vs. 1H FY2015 Outlook as of May 2015>

- ◆ Domestic LIVALO sales below target due to shipments shifted to 2H
- ◆ Export LIVALO sales above target due to shipments shifted from 2H
- ◆ Custom Chemicals sales and OP below target
- ◆ Up-front payment on NIP-022 shifted to 2H
- ◆ Entered into the license agreement with Yakult in October 2015
- ◆ Sales down ¥0.8billion, OP down ¥0.6billion

## 2H FY 2015 Outlook

<vs. 2H FY2014>

- ◆ Domestic LIVALO sales up
- ◆ Export LIVALO sales up
- ◆ Custom Chemicals sales and OP up
- ◆ Up-front payment on NIP-022
- ◆ Sales up ¥1.2billion, OP up ¥0.8billion

<vs. 2H FY2015 Outlook as of May 2015>

- ◆ Domestic LIVALO sales above target due to shipments shifted from 1H
- ◆ Export LIVALO sales below target due to shipments shifted to 1H
- ◆ Custom Chemicals sales and OP above target
- ◆ Up-front payment on NIP-022 shifted from 1H
- ◆ Sales up ¥1.0billion, OP up ¥0.6billion

# Capex/Depreciation/R&D by Segment

(¥billion)

	Capex (2)					Depreciation (3)					R&D expenses					% of Sales	
	2011	2012	2013	2014	2015E	2011	2012	2013	2014	2015E	2011	2012	2013	2014	2015E		
Chem (1)	1.6	0.9	1.2	1.4	2.0	2.5	1.6	1.4	1.4	1.5	0.8	0.4	0.4	0.5	0.6	1.7%	
Performance M.	2.2	3.1	4.3	5.2	6.1	4.3	3.7	3.2	3.6	5.5	6.2	6.5	6.3	6.7	7.9	15.4%	
Agro	2.1	2.5	1.3	1.8	1.2	1.8	1.9	2.0	1.8	1.4	2.8	3.0	3.5	3.5	3.8	7.7%	
Pharma (1)	1.7	0.8	0.6	0.4	0.5	1.0	1.5	1.2	0.9	0.8	2.5	2.6	2.9	2.7	2.2	25.3%	
Trading	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	-	
Others	0.6	0.8	1.4	0.1	0.8	0.8	0.7	0.6	0.7	0.8	1.3	1.2	1.1	1.6	1.6	-	
<b>Total</b>	<b>8.3</b>	<b>8.1</b>	<b>8.8</b>	<b>9.8</b>	<b>10.6</b>	<b>10.5</b>	<b>9.5</b>	<b>8.5</b>	<b>8.5</b>	<b>10.1</b>	<b>13.6</b>	<b>13.7</b>	<b>14.2</b>	<b>15.0</b>	<b>16.1</b>		
											<b>R&amp;D expenses/Sales</b>	<b>9.2%</b>	<b>8.9%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.9%</b>	

(1) New segmentation from October 2013

2011 : Former segmentation

2012-2015 : New segmentation

(2) Capex

Actual - Acceptance basis

Outlook - Production commencement basis

(3) Depreciation Method

SUNEVER, ARC®- 4 year declining balance method  
(50.0% of initial capex amount in the 1<sup>st</sup> year)

Other products - 8 year declining balance method  
(25.0% of initial capex amount in the 1<sup>st</sup> year)

R&D Personnel (Sept. 2014) –A	420
Total Professionals (Sept. 2014) –B	1,050
<b>A/B</b>	<b>40%</b>

※Parent company only

※Round number

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

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

# Main Capex Items (Approval Basis)

(¥billion)

FY2013 Actual		FY2014 Actual		FY2015 Outlook	
Chemical Research Lab. (Instruments)	0.8	Reconstruction of Biological Research Lab. The fifth stage (Facilities)	1.3	Semis (Product development facilities)	2.8
Electronic Materials Lab. (Instruments)	0.8	Semis (Analyzing and evaluation R&D equipment)	1.1	Material Research Lab. (Instruments)	2.1
Reconstruction of Biological Research Lab. The fourth stage (Facilities)	0.5	Ammonia Feedstock Change Project	1.1	Agro (Formulation facilities)	1.2
		Electronic Materials Lab. (Instruments)	0.9	SUNEVER (Raw materials products)	1.0
		Quality improvement of Inorganic Materials products	0.7	Semis (Analyzing and evaluation R&D equipment)	0.9
		Chemical Research Lab. (Instruments)	0.6	Increasing production capacity of Custom Chemicals	0.4
		NCK R&D Center (Instruments)	0.3	Increasing TEPIC's production capacity	0.3
				Biological Research Lab. (Instruments)	0.3
				NCK R&D Center (Instruments)	0.2

# Financial Strategy

## (A) Share Repurchases to Enhance ROE

- ◆ Started repurchase of shares in 2006
- ◆ Repurchased ¥42.5 billion, 31.0 million shares (16.5% of shares issued) in total from FY2006 to FY2015
- ◆ **Cancelled all repurchased shares (FY2006-2015)**

### Shareholders Return FY2006 - 2015

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Shares purchased (thousand shares)	3,500	3,399	7,355	0	2,167	0	6,372	3,263	2,764	2,196	31,016
Purchase costs (¥billion)	4.7	5.0	8.0	0.0	2.8	0.0	5.0	5.0	6.0	6.0	42.5
Shares cancelled (thousand shares)	3,000	3,635	7,000	0	3,000	0	6,000	4,000	3,000	2,000	31,635
Shares issued at FY end (million shares)	185	181	174	174	171	171	165	161	158	156	
Treasury share at FY end (thousand shares)	1,367	1,233	1,660	1,709	885	886	1,258	522	287		
Dividend (¥billion)	3.7	3.6	3.8	4.2	4.1	4.1	4.3	4.9	5.7		
Dividend (¥/Share)	20	20	22	24	24	24	26	30	36		
Total payout ratio (dividend + purchase of treasury shares) (%)	60	56	118	32	53	37	67	59	64		

### ◆ FY2015 share repurchase program

- Total number of shares repurchased :2.2 million shares
- Total amount :¥ 6.0 billion
- Repurchased period :From May 13, 2015 to July 9, 2015
- Total number of shares cancelled :2.0 million shares on July 31, 2015

## (B) Cash Management Policy

Aiming to control cash balance around the level of

= Minimum required level

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

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

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# Mid-Term Business Plan Vista 2015 Stage II (FY2013-2015) Announced in May 2013 vs FY2015 Outlook - (A-1)Financial Targets

1. PL (¥billion)	Mid-term Plan		FY2014 Actual	FY2015 Outlook as of Nov. 2015
	FY2012 Actual	FY2015		
Sales	153.8	180.0	171.2	Achieve 181.5
Operating Profit	19.5	26.0	25.3	Achieve 28.0
Ordinary Income	20.5	26.5	26.4	Achieve 29.2
Net Income	13.9	18.5	18.2	Achieve 21.7
EPS(¥)	84.00	113.00	Achieved 113.99	Achieve 139.53
FX Rate (¥/\$)		85	117	120
Naphtha (¥/kl)		61,000	63,100	51,000

2. Segment (1) (¥billion)	Mid-term Plan				FY2015 Outlook as of Nov. 2015		Variance	
	Sales (2)		OP		Sales	OP	Sales	OP
	FY2012 Actual	FY2015 (C)	FY2012 Actual	FY2015 (D)	FY2015 (E)	FY2015 (F)	(E) - (C)	(F) - (D)
Chem and others (3)	70.4	77.5	2.1	3.6	74.5	4.2	-3.0	+0.6
Performance M.	37.4	53.8	7.2	11.3	51.4	11.0	-2.4	-0.3
Agro	35.4	40.8	5.0	7.6	49.1	11.3	+8.3	+3.7
Pharma	10.6	7.9	5.2	3.5	6.5	1.5	-1.4	-2.0
<b>Total</b>	153.8	180.0	19.5	26.0	181.5	28.0	+1.5	+2.0

(1) Former segmentation (2) Including inter-segment sales/transfers

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

# Mid-Term Business Plan Vista 2015 Stage II (FY2013-2015) Announced in May 2013 vs FY2015 Outlook - (A-2)Financial Targets

## 3. Sales Variance by Segment

	Sales Variance 2. (E) - (C)	FY2015 Outlook as of Nov. 2015 > FY2015 Mid-term Plan	FY2015 Outlook as of Nov. 2015 < FY2015 Mid-term Plan
Chem and others (3)	-3.0	Melamine(domestic, export) TEPIC(general)	Ammonia, High purity sulfuric acid, TEPIC(electronic, liquid), Urea/AdBlue, Fertilizer, Environmental related products
Performance M.	-2.4	IPS/FFS, Photo-alignment IPS, ARC®(Bottom anti-reflective coating, Multi layer process materials)	TN, VA, Other display materials, SNOWTEX(polishing, non-polishing), Organo sol, New products
Agro	+8.3	Fluralaner, ROUNDUP, ALTAIR, Export	LEIMAY, SIRIUS
Pharma	-1.4	LIVALO(export)	LIVALO(domestic) Up-front payment
<b>Total</b>	<b>+1.5</b>		

# Mid-Term Business Plan Vista 2015 Stage II (FY2013-2015) Announced in May 2013 vs FY2015 Outlook - (B)Financial Indicators

## ◆ Highest importance on ROE as well as OP margin

ROE : FY2015 Target 13.4% vs FY2015 Outlook 14.1%

**expecting to achieve the target**

OP margin : FY2015 Target 14.4% vs FY2015 Outlook 15.4%

**expecting to achieve the target**

## ◆ Dividend payout ratio above 30% vs FY2015 Outlook 30.1%

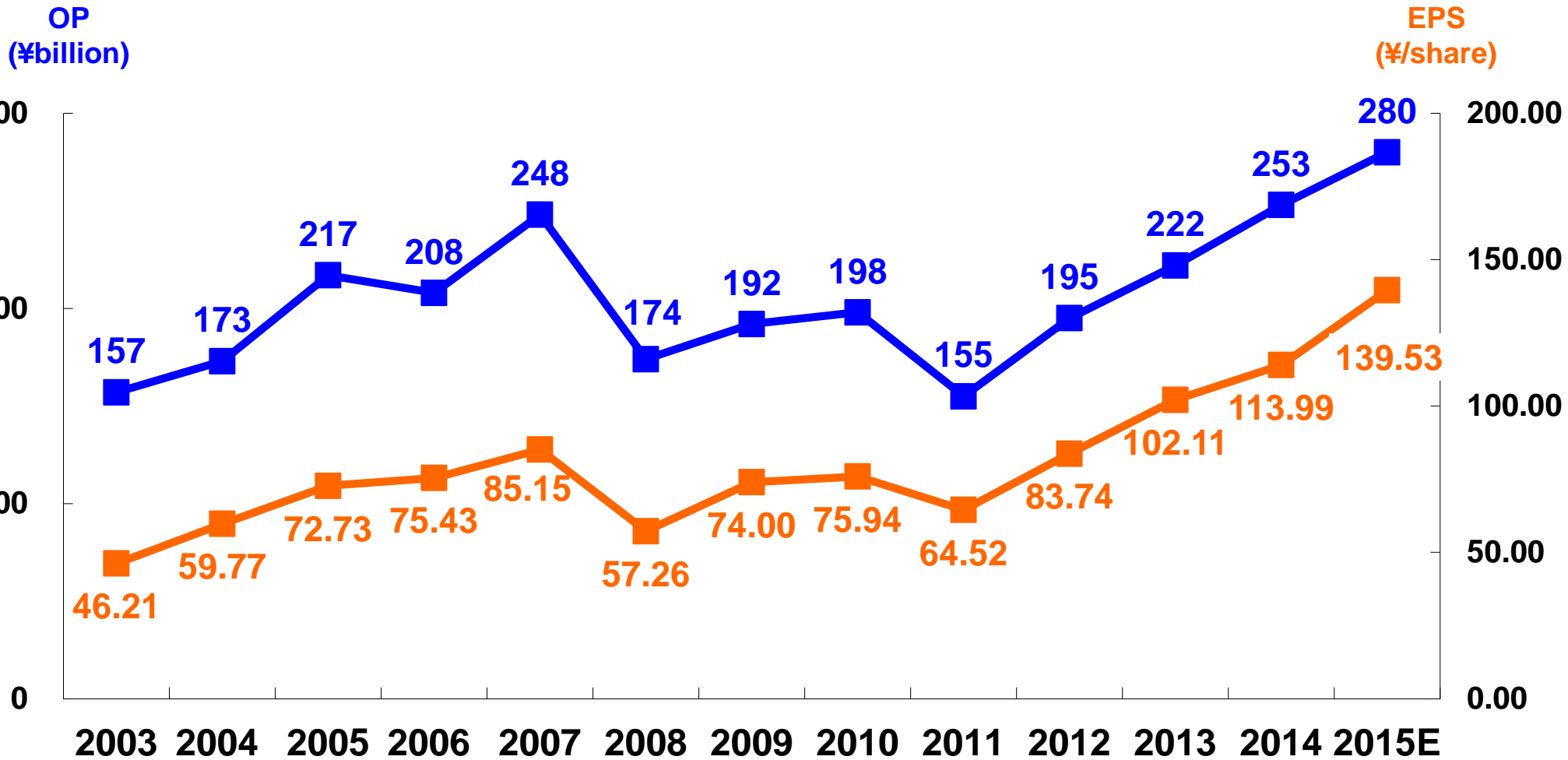
— In addition, continue to repurchase shares timely

**expecting to achieve the target**

## ◆ R&D expenses/sales above 9% vs FY2015 Outlook 8.9%

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# Long-term Financial Performance Trend



# Long Term Financial Performance Trend

(¥billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015E
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	181.5
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	28.0
Ordinary Income	14.6	17.4	21.3	21.2	24.4	16.9	19.2	19.4	15.9	20.5	23.7	26.4	29.2
Net Income	8.7	11.3	13.7	14.0	15.5	10.1	12.8	13.0	11.0	13.9	16.7	18.2	21.7
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	38.1
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%	15.4%
ROE	13.4%	15.2%	16.1%	14.7%	15.6%	10.3%	12.6%	11.9%	9.5%	11.4%	12.7%	12.7%	14.1%
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	139.53
Dividend(¥/share)	11	11	15	20	20	22	24	24	24	26	30	36	42
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%	30.1%
Share Repurchases	-	-	-	4.7	5.0	8.0	-	2.8	-	5.0	5.0	6.0	6.0
Total Assets	172.6	169.4	183.2	177.3	172.7	172.3	181.4	183.4	190.1	199.2	208.0	223.9	-
Net Assets	69.2	78.5	92.0	98.1	100.1	95.7	106.5	112.4	119.6	126.7	137.8	151.3	-
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	-
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	-
D/E Ratio	78.0%	53.7%	38.5%	23.2%	27.2%	37.1%	26.0%	16.9%	9.3%	5.0%	4.1%	2.7%	-
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%	-
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	10.6
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	10.1
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	16.1
R&D Expenses/Sales	5.6%	5.3%	5.4%	5.7%	7.4%	8.6%	8.8%	8.2%	9.2%	8.9%	8.7%	8.7%	8.9%

# FY2011-2Q FY2013 Quarterly Sales by Segment <sup>(1)</sup>

(Former Segmentation)

(¥billion)

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

(1) Including inter-segment sales/transfers

# FY2011-2Q FY2013 Quarterly OP by Segment

(Former Segmentation)

(¥billion)

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



# FY2012-2Q FY2015 Quarterly Sales by Segment (1)

(New Segmentation)

(¥billion)

	FY2012 Actual					FY2013 Actual					FY2014 Actual					FY2015 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	8.6	8.3	8.7	8.9	34.5	9.3	8.6	8.8	8.8	35.5	8.5	8.2	9.1	8.5	34.3	8.7	8.0
Fine	2.4	2.2	2.2	2.3	9.1	2.7	2.6	2.3	2.3	9.9	2.7	2.6	2.8	2.5	10.6	3.0	2.5
Basic	6.2	6.1	6.5	6.6	25.4	6.6	6.0	6.5	6.5	25.6	5.8	5.6	6.3	6.0	23.7	5.7	5.5
Perf	9.5	9.3	9.5	9.1	37.4	10.3	10.3	11.1	11.1	42.8	11.8	12.4	13.0	12.2	49.4	13.0	13.0
Agro	8.3	5.1	4.6	17.4	35.4	9.9	6.1	5.5	17.6	39.1	12.3	6.2	5.7	21.5	45.7	13.6	7.5
Pharma	4.0	2.3	3.3	3.1	12.7	3.1	3.3	3.0	2.2	11.6	2.5	2.5	2.1	1.7	8.8	2.1	1.6
Trading	11.9	10.8	12.5	11.4	46.6	12.7	11.8	12.8	13.4	50.7	14.1	13.2	14.1	13.0	54.4	14.7	12.8
Others	3.9	6.3	4.6	6.4	21.2	4.6	5.1	4.9	6.8	21.4	3.8	4.7	4.6	7.8	20.9	4.1	4.8
Adjust	-7.8	-9.4	-8.6	-8.2	-34.0	-9.7	-9.0	-8.9	-9.8	-37.4	-10.5	-9.8	-10.7	-11.3	-42.3	-11.0	-9.2
<b>Total</b>	<b>38.4</b>	<b>32.7</b>	<b>34.6</b>	<b>48.1</b>	<b>153.8</b>	<b>40.2</b>	<b>36.2</b>	<b>37.2</b>	<b>50.1</b>	<b>163.7</b>	<b>42.5</b>	<b>37.4</b>	<b>37.9</b>	<b>53.4</b>	<b>171.2</b>	<b>45.2</b>	<b>38.5</b>

(1) Including inter-segment sales/transfers

# FY2012-2Q FY2015 Quarterly OP by Segment

## (New Segmentation)

(¥billion)

	FY2012 Actual					FY2013 Actual					FY2014 Actual					FY2015 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Chem	0.8	0.0	0.4	0.7	1.9	1.0	-0.2	0.6	0.5	1.9	1.0	-0.6	0.6	0.9	1.9	1.5	-0.1
Perf	2.1	2.0	1.6	1.5	7.2	2.1	2.3	2.3	2.1	8.8	3.3	3.4	3.2	2.1	12.0	3.4	2.9
Agro	1.6	-0.3	-1.1	4.8	5.0	2.3	0.1	-0.8	4.6	6.2	4.0	0.0	-0.5	5.7	9.2	4.4	1.8
Pharma	1.9	0.7	1.6	1.0	5.2	1.4	1.7	1.4	0.4	4.9	0.8	0.8	0.4	0.3	2.3	0.4	0.2
Trading	0.4	0.3	0.4	0.3	1.4	0.4	0.3	0.4	0.4	1.5	0.5	0.4	0.5	0.3	1.7	0.5	0.4
Others	-0.1	0.2	0.1	0.5	0.7	0.1	0.1	0.1	0.5	0.8	-0.1	0.0	0.1	0.6	0.6	0.0	0.0
Adjust	-0.4	-0.6	-0.5	-0.4	-1.9	-0.6	-0.4	-0.5	-0.4	-1.9	-0.6	-0.4	-0.7	-0.7	-2.4	-0.8	-0.3
<b>Total</b>	6.3	2.3	2.5	8.4	19.5	6.7	3.9	3.5	8.1	22.2	8.9	3.6	3.6	9.2	25.3	9.4	4.9
OPMargin	16.5%	6.8%	7.5%	17.4%	12.7%	16.7%	10.6%	9.3%	16.4%	13.6%	21.0%	9.6%	9.6%	17.2%	14.8%	20.9%	12.6%

# 1H FY2015 Sales by Segment (1)

(¥billion)

	1H FY2014 Actual			1H FY2015 Outlook as of May 2015			1H FY2015 Actual		
	1Q	2Q	Total	1Q	2Q	Total	1Q	2Q	Total
<b>Chem</b>	8.5	8.2	16.7	8.9	8.7	17.6	8.7	8.0	16.7
<b>Fine</b>	2.7	2.6	5.3	3.0	2.6	5.6	3.0	2.5	5.5
<b>Basic</b>	5.8	5.6	11.4	5.9	6.1	12.0	5.7	5.5	11.2
<b>Performance Materials</b>	11.8	12.4	24.2	12.3	12.6	24.9	13.0	13.0	26.0
<b>Agro</b>	12.3	6.2	18.5	13.1	7.8	20.9	13.6	7.5	21.1
<b>Pharma</b>	2.5	2.5	5.0	1.8	2.7	4.5	2.1	1.6	3.7
<b>Trading</b>	14.1	13.2	27.3	14.7	14.2	28.9	14.7	12.8	27.5
<b>Others</b>	3.8	4.7	8.5	4.9	4.5	9.4	4.1	4.8	8.9
<b>Adjustment</b>	-10.5	-9.8	-20.3	-11.4	-9.8	-21.2	-11.0	-9.2	-20.2
<b>Total</b>	42.5	37.4	79.9	44.3	40.7	85.0	45.2	38.5	83.7

(1) Including inter-segment sales/transfers

# 1H FY2015 OP by Segment

(¥billion)

	1H FY2014 Actual			1H FY2015 Outlook as of May 2015			1H FY2015 Actual		
	1Q	2Q	Total	1Q	2Q	Total	1Q	2Q	Total
Chem	1.0	-0.6	0.4	1.3	0.1	1.4	1.5	-0.1	1.4
Performance Materials	3.3	3.4	6.7	2.6	2.7	5.3	3.4	2.9	6.3
Agro	4.0	0.0	4.0	3.8	1.3	5.1	4.4	1.8	6.2
Pharma	0.8	0.8	1.6	0.2	1.0	1.2	0.4	0.2	0.6
Trading	0.5	0.4	0.9	0.4	0.5	0.9	0.5	0.4	0.9
Others	-0.1	0.0	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0
Adjustment	-0.6	-0.4	-1.0	-0.7	-0.2	-0.9	-0.8	-0.3	-1.1
<b>Total</b>	<b>8.9</b>	<b>3.6</b>	<b>12.5</b>	<b>7.5</b>	<b>5.4</b>	<b>12.9</b>	<b>9.4</b>	<b>4.9</b>	<b>14.3</b>

# Sales and Operating Profit by Segment

(¥billion)

		FY2010		FY2011		FY2012		FY2013		FY2014		FY2015E	
Sales (A)	Chem	38.1	24.7%	36.9	24.8%	34.5	22.4%	35.5	21.7%	34.3	20.0%	34.9	19.2%
	Perf	38.0	24.6%	34.0	22.9%	37.4	24.3%	42.8	26.1%	49.4	28.9%	51.4	28.3%
	Agro	34.4	22.3%	33.8	22.7%	35.4	23.0%	39.1	23.9%	45.7	26.7%	49.1	27.1%
	Pharma	9.6	6.2%	10.0	6.7%	12.7	8.3%	11.6	7.1%	8.8	5.1%	8.7	4.8%
	Trading	44.1	28.6%	44.8	30.1%	46.6	30.3%	50.7	31.0%	54.4	31.8%	59.0	32.5%
	Others	27.0	17.5%	20.0	13.5%	21.2	13.8%	21.4	13.1%	20.9	12.2%	20.9	11.5%
	Adj	-37.0	-24.0%	-30.9	-20.8%	-34.0	-22.1%	-37.4	-22.8%	-42.3	-24.7%	-42.5	-23.4%
	Total	154.2	100%	148.6	100%	153.8	100%	163.7	100%	171.2	100%	181.5	100%

OP (B)	Chem	2.4	12.1%	1.6	10.3%	1.9	9.7%	1.9	8.6%	1.9	7.5%	3.4	12.1%
	Perf	7.9	39.9%	4.8	31.0%	7.2	36.9%	8.8	39.6%	12.0	47.4%	11.0	39.3%
	Agro	4.8	24.2%	4.4	28.4%	5.0	25.6%	6.2	27.9%	9.2	36.4%	11.3	40.4%
	Pharma	4.4	22.2%	4.6	29.7%	5.2	26.7%	4.9	22.1%	2.3	9.1%	2.1	7.5%
	Trading	1.4	7.1%	1.3	8.4%	1.4	7.2%	1.5	6.8%	1.7	6.7%	2.0	7.1%
	Others	1.0	5.1%	0.3	1.9%	0.7	3.6%	0.8	3.6%	0.6	2.4%	0.5	1.8%
	Adj	-2.1	-10.6%	-1.5	-9.7%	-1.9	-9.7%	-1.9	-8.6%	-2.4	-9.5%	-2.3	-8.2%
	Total	19.8	100%	15.5	100%	19.5	100%	22.2	100%	25.3	100%	28.0	100%

		FY2012		FY2013		FY2014	
Segment Assets (D)		27.0	13.6%	25.8	12.4%	25.2	11.3%
		34.3	17.2%	38.0	18.3%	43.9	19.6%
		46.7	23.4%	48.6	23.4%	53.6	23.9%
		14.6	7.3%	12.7	6.1%	11.4	5.1%
		17.3	8.7%	18.1	8.7%	18.5	8.3%
		9.2	4.6%	9.1	4.4%	9.9	4.4%
		50.1	25.2%	55.7	26.8%	61.4	27.4%
	Total	199.2	100%	208.0	100%	223.9	100%

OP Margin (C) = (B)/(A)	Chem	6.3%	4.3%	5.5%	5.4%	5.5%	9.7%
	Perf	20.8%	14.1%	19.3%	20.6%	24.3%	21.4%
	Agro	14.0%	13.0%	14.1%	15.9%	20.1%	23.0%
	Pharma	45.8%	46.0%	40.9%	42.2%	26.1%	24.1%
	Trading	3.2%	2.9%	3.0%	3.0%	3.1%	3.4%
	Others	3.7%	1.5%	3.3%	3.7%	2.9%	2.4%
	Total	12.9%	10.4%	12.7%	13.6%	14.8%	15.4%

ROA (E) = (B)/(D)		7.0%	7.4%	7.5%
		20.9%	23.2%	27.3%
		10.8%	12.8%	17.2%
		36.0%	38.9%	20.2%
		7.8%	8.3%	9.2%
		7.5%	8.3%	6.1%
	Total	9.8%	10.7%	11.3%

FY2010-2011 : Former Segmentation, FY2012-2015E : New Segmentation

# Main Products by Segment (New Segmentation)

Segment	Products	Main Applications
Chem	<ul style="list-style-type: none"> <li>◆ Fine Chemicals</li> <li>TEPIC</li> <li>Melamine cyanurate</li> <li>Environmental product</li> </ul>	<p>epoxy compound for LED sealants, solder resist, painting                      flame retardant                      HI-LITE (chlorinated isocyanuric acid for sterilizing)</p>
	<ul style="list-style-type: none"> <li>◆ Basic Chemicals</li> <li>Melamine</li> <li>AdBlue</li> <li>Ammonia, Sulfuric acid, Nitric acid</li> <li>High purity chemicals</li> </ul>	<p>adhesive agent for plywood                      solution of urea in demineralised water for diesel trucks to reduce NOx                      agents used for cleaning semiconductors</p>
Performance Materials	<ul style="list-style-type: none"> <li>◆ Electronic Materials</li> <li>SUNEVER</li> <li>ARC®</li> </ul>	<p>LCD alignment coating                      bottom anti-reflective coating for semiconductors                      multi layer process material for semiconductors (Si-HM/SOC)                      *ARC® is registered trade mark of Brewer Science, Inc. Bottom anti-reflective coating and multi-layer materials beneath a photoresist are included in the registered trade mark.</p>
	<ul style="list-style-type: none"> <li>NHC</li> <li>OPTIFOCUS</li> <li>ELSOURCE</li> </ul>	<p>protective coating for touch panel                      microlens material for image sensor application                      hole injection layer materials for OLED</p>
	<ul style="list-style-type: none"> <li>◆ Inorganic Materials</li> <li>SNOWTEX</li> </ul>	<p>water dispersed colloidal silica sol for polishing silicon wafers, special steel sheets, NOx reduction catalyst, electronic printing materials</p>
Agro	<ul style="list-style-type: none"> <li>◆ Herbicide</li> <li>TARGA</li> <li>PERMIT</li> <li>SIRIUS, ALTAIR(NC-620)</li> <li>ROUNDUP</li> </ul>	<p>soybean, rapeseed, sugarbeet                      corn, sugarcane, rice                      paddy rice                      non-selective herbicide for orchard, noncrop land</p>
	<ul style="list-style-type: none"> <li>◆ Insecticide</li> <li>STARMITE, SANMITE, MITOKOHNE</li> <li>◆ Fungicide</li> <li>LEIMAY</li> <li>PULSOR, IKARUGA, GREATAM (THIFLUZAMIDE)</li> <li>◆ Animal health products</li> <li>Fluralaner (BRAVECTO)</li> </ul>	<p>fruits, tea, vegetables                      potato, grape, turf                      active substance of BRAVECTO (veterinary medical product for dogs)</p>
Pharma	<ul style="list-style-type: none"> <li>LIVALO</li> <li>Custom Chemicals</li> </ul>	<p>Anti-cholesterol drug                      custom manufacturing and process services for pharmaceutical companies</p>
Trading	Nissei Corporation	
Others	Transportation, Landscaping, Engineering, Fertilizer	



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# Forward Looking Statements

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

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