

A young girl in a pink dress and a young boy in a blue shirt and white shorts are running on a grassy hill. The girl is holding three balloons (purple, pink, orange) and the boy is holding three balloons (blue, green, grey). The background is a bright blue sky with white clouds and a single tree on the right.

# 2014

## ANNUAL REPORT

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For the year ended March 31, 2014

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\* 2014: fiscal year ended March 31, 2014



## Corporate ethos

We contribute to society in harmony with the environment, based on our excellent technologies, products and services.



## Guidelines for action

- 1 We observe the laws in Japan and overseas, and conduct good business activities as a member of the international community
- 2 We appropriately disclose corporate information and secure the transparency of business administration
- 3 We voluntarily and proactively engage in activities to protect the environment and secure safety
- 4 We deal with requests from all stakeholders in a sincere manner
- 5 We foster a cheerful and friendly working environment
- 6 We nurture the spirit of challenge with strong ambition
- 7 We cherish an attitude as a good corporate citizen and a working person

## Basic policies

As a group growing with customers, we refine our brand power in a good-faith corporate culture and aim to improve our corporate value through socially meaningful business activities.

## Projections

Statements contained in this report with respect to Company plans, strategies and beliefs that are not historical facts are projections about the future performance of the Company which are based on management's assumptions and beliefs in light of the information currently available. These projections involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from the expectations expressed herein.

MESSAGE FROM THE PRESIDENT

# DEAR SHAREHOLDERS,

We would like to express our thanks to you for your patronage.

In this term, the domestic economy was on a gradual recovery trend, due to the effects of the economic and financial policies of the Japanese government and the yen depreciation becoming the norm.

As for the businesses of our corporate group, in the Chemicals segment, the situation of basic chemical products became more stringent because material and fuel costs augmented, but the special epoxy TEPIC in fine chemical products received the benefit of the yen depreciation. In the Performance Materials segment, the results of the materials for displays and semiconductors were healthy. In the Agrochemicals segment, the sales of the new paddy rice herbicide ALTAIR and the non-selective foliage herbicide for general households ROUNDUP MaxLoad AL grew, and the shipping of Fluralaner, the active substance of the veterinary medical product, started. The Pharmaceuticals segment witnessed the effects of the expiration of the compound patent of LIVALO, a statin agent with a strong LDL cholesterol reduction.

As a result, the sales and profits for this fiscal year (Apr.1,2013-Mar.31,2014) increased. Our term-end dividend was set at 16 yen per share, and our annual dividend, including the interim dividend, was set at 30 yen (up 4 yen from the previous term).

As for the future outlook, we are concerned about the possibility that demand will decline in the wake of the consumption tax hike and the growth rate of emerging countries will become sluggish. So we think that our business environment will remain unpredictable. In this circumstance, our corporate group implements the basic strategies set in "Vista 2015 Stage II," which is the 3-year management plan launched in April 2013, and makes the utmost effort to keep the profit increase trend. In addition, from this term, we have changed management systems by adopting the executive officer system and appointing Outside Directors, in order to further improve the efficiency, soundness, and transparency of business administration.

Under the corporate ethos: "We contribute to society in

harmony with the environment based on our excellent technologies, products and services," we comply with laws, regulations, and social norms, enhance our environmental awareness, and carry out social contribution activities, etc. Through these we will conduct sound, faithful business activities as a corporate group trusted by all stakeholders.

We would appreciate your continued understanding and support.



Kojiro Kinoshita, President

# FINANCIAL HIGHLIGHTS

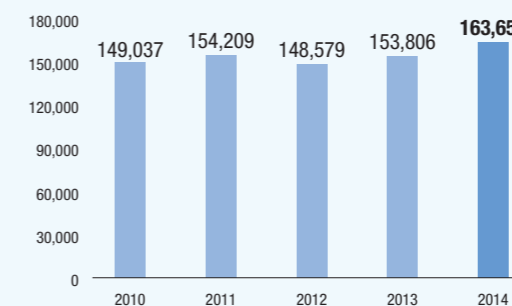
Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2014 and 2013

Consolidated	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Net sales	¥ 163,658	¥ 153,806	\$ 1,590,150
Net income	16,701	13,879	162,273
Equity	136,552	125,568	1,326,785
Amounts per share (in yen and U.S. dollars):			
Net income	¥ 102.11	¥ 83.74	\$ 0.99
Equity	850.91	766.87	8.27

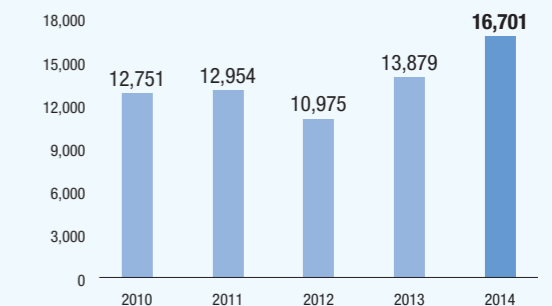
Non-Consolidated	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Net sales	¥ 121,323	¥ 114,442	\$ 1,178,818
Net income	14,995	11,756	145,703
Equity	117,117	109,156	1,137,950
Amounts per share (in yen and U.S. dollars):			
Net income	¥ 91.68	¥ 70.92	\$ 0.89
Equity	729.81	666.63	7.09

Note: The U.S. dollar amounts in this report are given for convenience only and represent translations of Japanese yen at the rate of ¥102.92 to U.S. \$1, the rate prevailing at the end of the term.

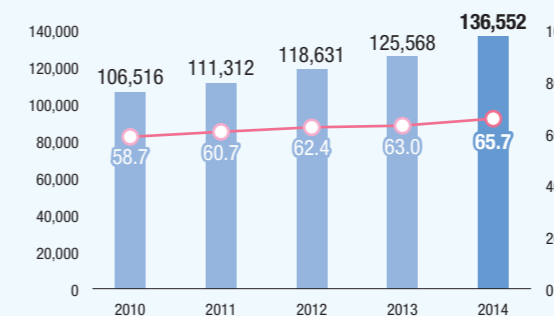
Net Sales (Millions of Yen)



Net Income (Millions of Yen)



Equity (Millions of Yen) / Equity Ratio (%)



Total Assets (Millions of Yen)



# Vista2015 Stage II

“Only challenge to change makes us keep winning!”

We started the 3-year medium-term business plan “Vista 2015 Stage II (Apr.1,2013-Mar.31,2016)” in April 2013, under the slogan that “only challenge to change makes us keep winning!”

In this plan, our corporate vision is “to become a company that contributes to human survival and development.” To achieve this, we will offer socially useful values to society through our products and services.

Our vision is “to establish a position as

a promising chemical manufacturer whose Performance Materials section keeps growing (in the electronic, inorganic, and organic fields), Life Science section owns promising agents for future growth (in the fields of agrochemicals and pharmaceutical products), and Chemicals section and affiliates possess stable revenue bases.”

We will pursue this vision by steadily implementing measures based on basic strategies.

## 1. Creating New Products and New Businesses

### 1. New Businesses

There are growing demands for HYPERTECH®, a nanometer-sized spherical polymer acting as organic nano-particles, whose practical use has been researched in collaboration with Kyushu University, and the supramolecular gel NANOFIBER GEL®.

HYPERTECH® is under development as a surface modifying material, an ultrahigh refractive index material, and an electroless plating base.

NANOFIBER GEL® is about 40 times softer than polymeric gels, and so this is utilized in the fields of cosmetics where texture is important, such as an ingredient for cosmetic products, especially sprays and creams.

We also aim to develop culture media optimized for 3D culture for cancer cells, etc., and sell them to pharmaceutical companies, research institutes, etc.



Sprays      Creams      3D culture “FCeM”      Scene of 3D culture



<Usage examples>

Touch panels / Anti-fingerprint films / Prevention of peeping

### 2. Performance Materials

We will develop materials for keeping up with the technological innovation of clients in the fields of displays and semiconductors, and promote the sale of OLED (Organic Light-Emitting Diode) hole injection layer material ELsource for TV sets and lamps.



OLED TV (image)

### 3. Agrochemicals

The sales of the new paddy rice herbicide ALTAIR, which was released in South Korea in 2012 and in Japan in 2013, and the non-selective foliage herbicide for general households ROUNDUP MaxLoad AL are growing. In addition, we started selling Fluralaner, an active substance of the veterinary medical product, and expect that its sales will grow considerably.



### 4. Pharmaceuticals

We are steadily developing the medicine for asthma NT-702 in cooperation with Taisho Pharmaceutical Co., Ltd. In addition, we are promoting the development of medicines for diabetes, pain, and rheumatism as new candidates.

### 5. Chemicals

We aim to diffuse the usage of the new grades of the special epoxy TEPIC and stir actual demands.



<Usage examples>

LED  
Sealing resin  
Chip attachment

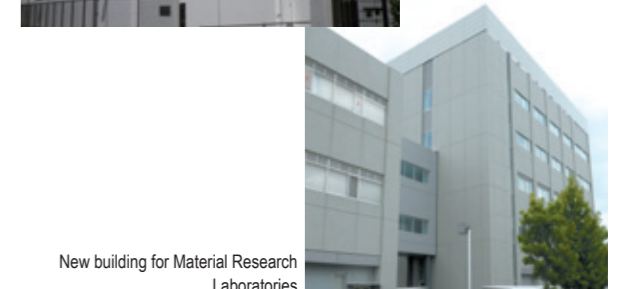
### 6. Research

In the Life Science section, the drastic improvement of the Biological Research Laboratories is in progress as scheduled. The agrochemicals research building (photo below) was completed in May 2014, following the main building of the research institute for pharmaceutical products, the fully automated chemical compounds library, and the weather simulation rooms, which can simulate overseas climates. From now on, we will build greenhouse, cultivation management laboratories, etc.

In the Performance Materials section a new building for Materials Research Laboratories was completed in July 2014. With this building, we will upgrade our research system to a more efficient and practical one, to improve our ability to develop materials.



New agrochemicals research building (Biological Research Laboratories)



New building for Material Research Laboratories

## 2. Pursuit of business structure reforms

### 1. Efforts for reducing costs

All factories have seen the effects of cost reduction. We aim to improve the competitiveness of our products by continuing our efforts for cost reduction.

### 2. Acceleration of overseas business expansion

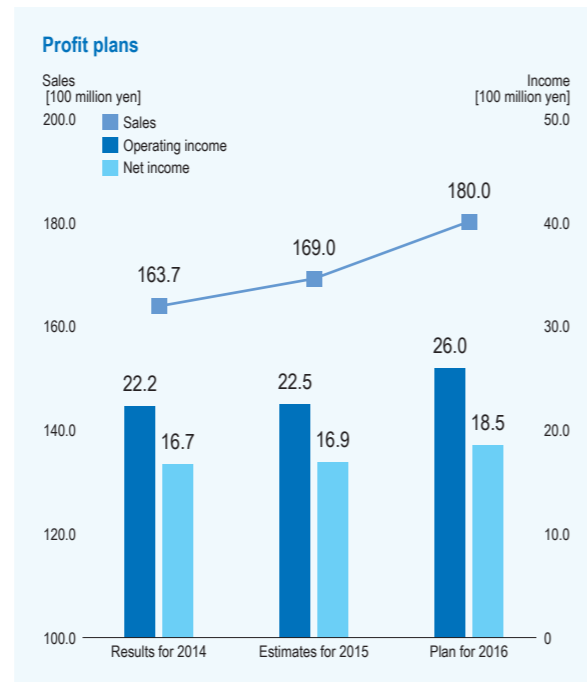
Although the domestic economy is recovering, but considering the fact that it is difficult to grow significantly inside Japan, we recognize that it is indispensable to accelerate our overseas business expansion in order to grow our businesses. As for electronic materials, the ratio of overseas sales is already over 80%, and it is predicted that South Korea, Taiwan, and China will continue to be major markets. Accordingly, we will enhance sales promotion in these regions, and cement the relationships with customers. As part of this activity, we enlarged BARC and polyimide factories in NCK in South Korea this spring, to meet a leading user's request for domestic production and to establish production systems for the future.

In the Agrochemicals segment, we considered that it is essential to meet demands in the rapidly growing China. And so we established a local affiliate, Nissan Chemical Product (Shanghai) Co., Ltd, in Shanghai, China in January 2014, and started the assistance in agrochemical sale, development and popularization in April.

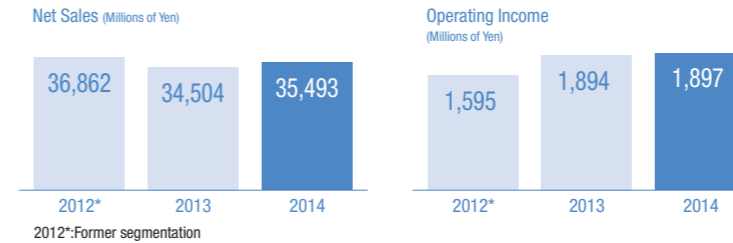
Through this plan, we will maintain the profit increase trend. In addition, in order to become a firm that can keep winning, we make efforts to accelerate the creation of new products and agents by brushing up our research and development capabilities.



NCK(Korea) R&D Center



## REVIEW OF OPERATIONS CHEMICALS



### Business Overview

Basic Chemicals operations are continuing to expand around the development of industrial chemicals such as melamine, sulfuric acid, nitric acid and ammonia.

Fine Chemicals operations are mainly dealing with TEPIC and HI-LITE, which is anti-bacterial and disinfectant environmental chemicals for swimming pools and wastewater treatment systems.

### Business Performance

In the Chemicals segment, the domestic demand for melamine recovered and the performance of AdBlue has been healthy, but the sales of ammonia declined due to the decrease in operation rate of clients. As for fine chemical products, the export volume of TEPIC increased.

As a result, sales in this business were 35,493 million yen (an increase of 988 million yen from the previous term) and operating income was 1,897 million yen (an increase of 2 million yen from the previous term).

### Main Products

#### [TEPIC®]

TEPIC is a special epoxy compound with a triazine molecular frame. It has high reactivity and excellent heat resistance characteristics, weather resistance, electrical properties and transparency. Demand for powder paint curative agents, reforming agents for paint, ink and adhesive agents, high-purity products, and electronic materials such as solder resist ink and optical semiconductor resin sealant, has been expanding in recent years.

#### [MELAMINE]

MELAMINE is widely used as an adhesive agent for plywood, laminated sheets, molded products, resin finishes for fabric and paper, and paint. It has high-level aesthetic properties and substantial quality. We are proud of our first-class production ability and our unique high-pressure method process, and are also proud to be supplying products throughout the overseas markets.

#### [AdBlue®]

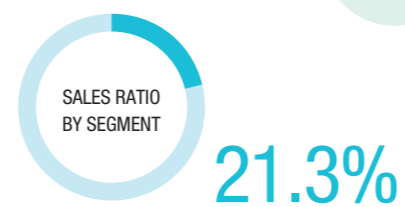
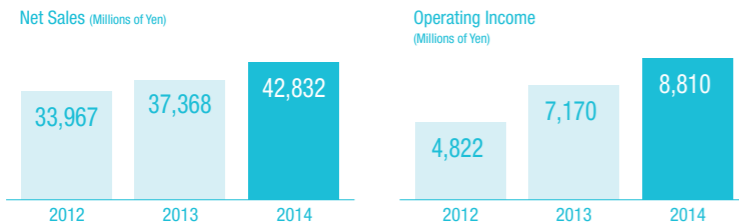
AdBlue® is a solution of urea in demineralised water used as an operating fluid in diesel-powered freight trucks to improve emissions. To promote this unique product, we are now expanding our original supply system for domestic market.

\*AdBlue® is a registered trademark of the Verband der Automobilindustrie.



Toyama Plant : High purity liquid ammonia plant

# REVIEW OF OPERATIONS PERFORMANCE MATERIALS



## Business Overview

SUNEVER, BARC and SNOWTEX, key products of our performance materials business, dominate the market in each area with a history of high quality market evaluations. We will continue to develop and provide high-value-added niche products in the fields of display, semiconductor and related boundary areas.

## Business Performance

As for display materials, the performance of SUNEVER for smartphones, tablet PCs, and TV panels has been healthy. As for semiconductor materials, the sales of multi-layer process materials increased with the miniaturization of semiconductors. As for inorganic materials, the sales of SNOWTEX for polishing electronic materials decreased from the previous year.

As a result, sales in this business were 42,832 million yen (an increase of 5,464 million yen from the previous term) and operating income was 8,810 million yen (an increase of 1,640 million yen from the previous term).



Tablet PC and Smartphone

## Main Products

### [SUNEVER®]

SUNEVER is a polyimide resin for coating liquid-crystal glass to align the liquid crystal molecules in a certain direction. This material comes in various grades to correspond to the flat panel display for TVs, monitors, PCs, and other products.

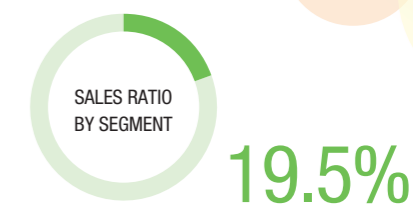
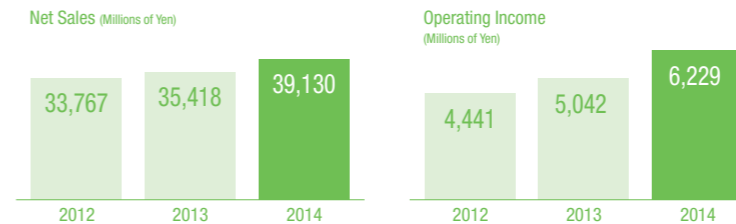
### [BARC]

BARC is a bottom anti-reflective coating developed for semiconductor lithography. It solves various problems with exposure by coating under photo resist products. We provide a wide range of products corresponding to a wide range of line widths, from i-line to the most-advanced ArF, and contribute to technological innovation in semiconductor devices.

### [SNOWTEX®]

SNOWTEX is a colloidal silica for use in a wide range of applications such as paper, fabric, iron and steel, metal casting and refractory products. Recently, this product has been undergoing development for use in batteries, coatings for inkjet printer paper and polishing silicon wafers.

# REVIEW OF OPERATIONS AGROCHEMICALS



## Business Overview

The agrochemicals business is based on the manufacturing of proprietary products generated from Nissan's discovery research and expanding distribution network for Japan and over 60 countries throughout the world.

## Business Performance

In Japan, the sales of ALTAIR and SIRIUS grew, while the export volume of TARGA to Europe and Asia increased. As for fluralaner, an active substance of the veterinary medical product, we received the milestone payment and started shipping this product.

As a result, sales in this business were 39,130 million yen (an increase of 3,711 million yen from the previous term) and operating income was 6,229 million yen (an increase of 1,186 million yen from the previous term).

## Main Products

### [Pyrazosulfuron-ethyl (SIRIUS)]

Uses: An herbicide for rice and turf

Commercialization: Rice growing area such as Japan, China, South Korea, South-east Asia and South America.

### [Quizalofop-ethyl (TARGA)]

Uses: A grass killer for broadleaf crops such as soybeans, sugar beets, sunflowers, oilseed rape and vegetables

Commercialization: All over the world, especially in North America, Europe and India.

### [Halosulfuron-methyl (PERMIT)]

Uses: A herbicide effective against sedges and broadleaf weeds for corn, sugarcane, rice and turf

Commercialization: Japan, the Americas, Australia, South Africa, Italy, etc.

### [Pyridaben (SANMITE)]

Uses: An insecticide and acaricide effective against whiteflies, spider mites, broad mites and rust mites for citrus, pome and stone fruits, vegetables, tea and ornamentals

Commercialization: Japan, North America and EU Countries.

### [Amisulbrom (LEIMAY)]

Uses: A fungicide effective against downy mildew, late blight and other diseases caused by Oomycetes fungus on grapes, potato, tomato and vegetables, in addition, also effective against several soil borne diseases such as brassica club root and Pythium diseases

Commercialization: Japan, South Korea and EU Countries.

### [Cyenopyrafen (STARMITE)]

Uses: An acaricide effective against spider mites on fruits tree crops, tea, vegetables and ornamentals

Commercialization: Japan, South Korea and Colombia.

### [Glyphosate (ROUNDUP)]

We are distributing this non-selective weed killer herbicide under ROUNDUP brand which has been acquired from Monsanto since 2002 for Japanese domestic market.

### [Thifluzamide (PULSOR)]

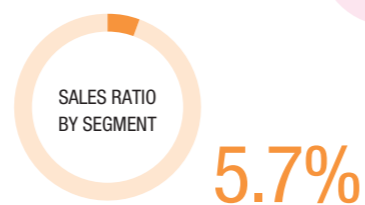
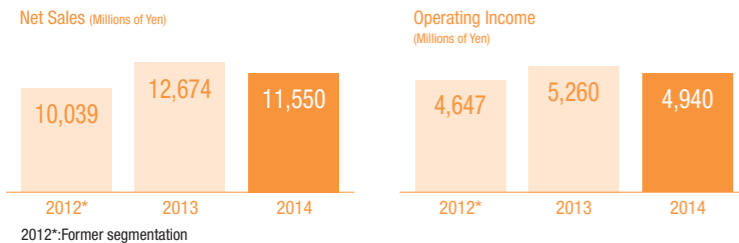
Uses: A systemic fungicide highly effective against diseases caused by Rhizoctonia fungus on turf, rice and potato

Commercialization: Japan, Brazil, Colombia, South Korea and China.



paddy rice herbicide ALTAIR

# REVIEW OF OPERATIONS PHARMACEUTICALS



## Business Overview

Nissan Chemical entered into the pharmaceutical business in 1982. Nissan Chemical keeps trying research and development for innovative medicines by using the strategic chemical library, the state-of-the-art evaluation technology and precise organic synthesis technology.

## Business Performance

As for LIVALO, the sales of the active pharmaceutical ingredient decreased slightly partly because generic products were released in Japan, but its sales in Europe and Asia were favorable. The sales of Custom Chemicals (Custom manufacturing and process researching services for pharmaceutical companies) declined because of the inventory adjustment of major clients, etc.

As a result, sales in this business were 11,550 million yen (a decrease of 1,124 million yen from the previous term) and operating income was 4,940 million yen (a decrease of 320 million yen from the previous term).



LIVALO

## Main Products

### [LIVALO]

LIVALO is a statin agent with a strong LDL cholesterol reduction, which causes less drug-interactions. It is manufactured and distributed by Kowa Company, Ltd., and distributed by Kowa Pharmaceutical Co. Ltd. and Daiichi Sankyo Co., Ltd. in Japan. In South Korea, it is marketed by JW Pharmaceutical Corporation. This agent is recognized as one of the "Strong statins" in clinical practice. It is also introduced to Thailand, China, the United States and some European countries. It is also planning to be launched in other countries and territories.

### New Medicines under Development

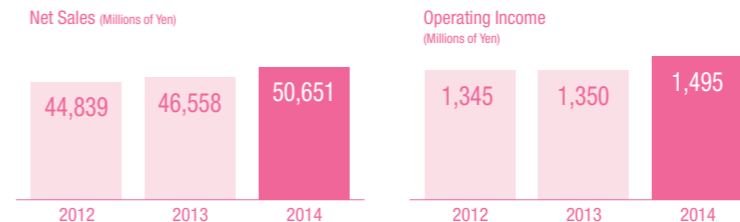
#### [NT-702]

This agent has both a phosphodiesterase inhibitory effect and a thromboxane A2 synthetase inhibitory effect, and is under development with Taisho Pharmaceutical Co., Ltd. Clinical trials not only for asthma but also for intermittent claudication associated with peripheral arterial disease are under way.

#### [NIP-022]

NIP-022 is an orally active agent which may increase platelet count by activating a receptor of thrombopoietin. We and Ono Pharmaceuticals Co. Ltd. (Ono) entered into a license agreement in December 2007, and are jointly developing the agent worldwide. Phase I clinical trial is conducted in the United States by Ono (Ono's development code: ONO-7746).

# REVIEW OF OPERATIONS TRADING



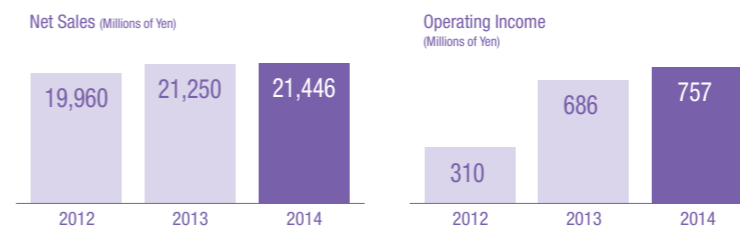
## Business Performance

As the performance of products related to electronic materials and agrochemicals improved, sales of this term were 50,651 million yen (an increase of 4,093 million yen from the previous term) and operating income was 1,495 million yen (an increase of 145 million yen from the previous term).



Nissei Corporation Asia Pacific PTE. LTD. (Singapore)

# REVIEW OF OPERATIONS OTHER BUSINESSES



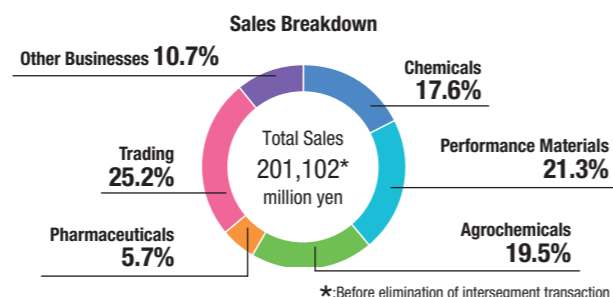
## Business Performance

Because of the sales growth of the fertilizer business, etc., sales in this business were 21,446 million yen (an increase of 196 million yen from the previous term) and operating income was 757 million yen (an increase of 72 million yen from the previous term).



Preserved flowers

## REVIEW OF OPERATIONS OVERVIEW OF SEGMENTS



	Main Products	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)
<b>Chemicals</b>	<b>Basic chemicals</b> — Melamine, High purity chemicals, Ammonia derivatives, AdBlue® <b>Fine chemicals</b> — TEPIC®, Melamine cyanurate	36,862 (2012*), 34,504 (2013), 35,493 (2014) 2012*: Former segmentation	1,595 (2012*), 1,894 (2013), 1,897 (2014)
<b>Performance Materials</b>	<b>Display materials</b> — SUNEVER® <b>Semiconductor materials</b> — BARC <b>Inorganic materials</b> — SNOWTEX®	33,967 (2012), 37,368 (2013), 42,832 (2014)	4,822 (2012), 7,170 (2013), 8,810 (2014)
<b>Agrochemicals</b>	<b>Herbicides</b> — SIRIUS, TARGA, PERMIT, ROUNDUP, ALTAIR <b>Insecticides</b> — SANMITE, MITO-KOHNE, STARMITE <b>Fungicide</b> — LEIMAY, PULSOR	33,767 (2012), 35,418 (2013), 39,130 (2014)	4,441 (2012), 5,042 (2013), 6,229 (2014)
<b>Pharmaceuticals</b>	<b>Anti-cholesterol agent</b> — LIVALO <b>Custom Chemicals</b> <b>New Medicines under Development</b> — NT-702, NIP-022	10,039 (2012*), 12,674 (2013), 11,550 (2014) 2012*: Former segmentation	4,647 (2012*), 5,260 (2013), 4,940 (2014)
<b>Trading</b>	<b>Fine Chemicals</b> <b>Commodity Products</b> <b>Imported Chemicals</b>	44,839 (2012), 46,558 (2013), 50,651 (2014)	1,345 (2012), 1,350 (2013), 1,495 (2014)
<b>Other Businesses</b>	<b>Landscaping,</b> <b>Environmental analysis,</b> <b>Transportation,</b> <b>Engineering,</b> <b>Fertilizer</b>	19,960 (2012), 21,250 (2013), 21,446 (2014)	310 (2012), 686 (2013), 757 (2014)

### \* REVIEW OF OPERATIONS

We integrated the Pharmaceuticals Division and the Custom Chemicals Group, Fine Chemicals Department, Chemicals Division as of October 1 2013 to establish the Custom Chemicals Department in the Pharmaceuticals Division. The business performance for 2013 has been revised as well.

## BUSINESS TOPICS

We implement various measures for creating a new engine of growth.

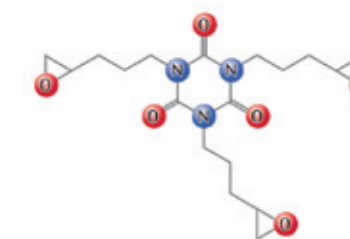
### Introducing New Grades to the TEPIC Series

Our Chemicals segment offers the high-functional epoxy compound TEPIC series on the market.

TEPIC is an epoxy compound derived from isocyanuric acid, one of our materials. It has an excellent transparency and a highly resistance to heat and light. So the general grade "TEPIC-G" is used in powder coating, while the electronics grade "TEPIC-S" is mainly used in LED and print circuit boards.

In response to various customer requests we also developed the low-solubility grade "TEPIC-HP," the liquid grade "TEPIC-PAS" for better usability, the "TEPIC-VL" with improved transparency and durability, and the high-solubility grade "TEPIC-L."

In order to expand the market for TEPIC, we will enhance research and development of new grades and increase the line of products.



Structural formula of TEPIC-VL

### Sales of Fluralaner, Active Substance of Veterinary Medical Product

We developed and began selling fluralaner, the active substance of the veterinary medical product BRAVECTO.

BRAVECTO is a veterinary medical product developed by MSD Animal Health, the animal health business unit of Merck & Co., Inc., based in the United States. It provides immediate killing activity on primary tick and flea species for dogs, and lasts for 12 weeks (8 weeks for *Rhipicephalus sanguineus* ticks), longer than currently available once-monthly commercialized products.

The active substance of BRAVECTO is fluralaner, which belongs to the isoxazoline group and possesses a new mode of action different from currently available products. We provide fluralaner to MSD Animal Health as an active substance of BRAVECTO.

BRAVECTO chewable tablet was launched in Italy, Spain, Germany, France, the Netherlands and the United Kingdom in April 2014 and in the USA in May 2014.

MSD Animal Health plans to introduce BRAVECTO in additional European countries in the coming months, and is also working to obtain marketing authorization in other countries including Japan.



### Establishment of Affiliated Company in China

We established an affiliate company in Shanghai, China (People's Republic of China) in January 2014.

We plan to strengthen sales support and marketing services, as well as actively develop new products that match market needs, in China's growing market of agrochemicals, thereby further expanding our agrochemicals business.

- Name: Nissan Chemical Product (Shanghai) Co., Ltd
- Place: Shanghai, China
- Representative: Kiminori HIRATA, President (Senior Managing Director of Nissan Chemical)
- Establishment: January 2014
- Paid capital: One million RMB
- Ownership ratio: 100% owned by Nissan Chemical Industries, Ltd.
- Opening: April 2014



Outer appearance of Nissan Chemical Product (Shanghai) Co., Ltd



## BUSINESS TOPICS

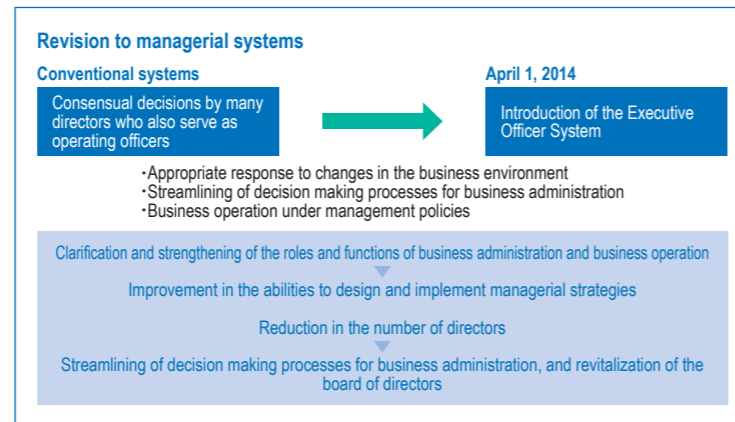
We implement various measures for creating a new engine of growth.

### Introduction of the Executive Officer System

We introduced an executive officer system from April 1, 2014 to adapt an increasingly severe business environment.

The system is meant to clarify the division of roles between management and execution, and also strengthen the functions of both, consequently improving the company's ability to establish and execute management strategies.

Reducing the number of board Directors also speeds up the decision-making process and stimulates discussions in the board of Directors' meeting.



### Social Welfare Fundraising Activities

We had conducted social welfare fundraising activities every year since 1997. Aimed to "support social welfare in local communities," the activities are conducted at local areas of headquarters as well as offices, plants and research laboratories. Employees donate money to the reserve funds, and the company matches the donations, doubling the amount. The funds have been used to purchase wheelchairs, automobiles and lifter for care, which are donated to social welfare organizations. Volunteer employees have also participated in environment protection and environment beautification activities such as tree-planting programs.

The activities are not restricted to monetary and material donations, but allow direct communication between employees and community members, such as presentation ceremonies where employees visit a facility to present the donated items. Our group will continue to actively pursue social contribution activities in communities.



Donation to the Fujimidai Kikoe to Kotoba no Kyoshitsu (Fujimidai listening and language class) (head office)

### Repurchase of our Own Shares

We repurchased our own shares in the market in February 2014, in order to execute a flexible capital strategy in response to changes in the business environment.

1. Type of shares repurchased: Common share of the company
2. Total number of shares repurchased: 3,262,800 shares
3. Total cost of repurchase: 4,999,950,100 yen
4. Period of repurchase: From February 5, 2014, to March 11, 2014 (Trade date based)
5. Method of repurchase: Purchased on the Tokyo Stock Exchange

Furthermore, a total of 4,000,000 shares, including the shares repurchased, were cancelled at the end of March 2014 (2.42% of total number of shares issued before cancellation).

(Reference) Total number of shares issued (including treasury shares)  
As of December 31, 2013 : 165,000,000 shares  
As of March 31, 2014 : 161,000,000 shares

## CSR ACTIVITIES

# RESPONSIBLE CARE

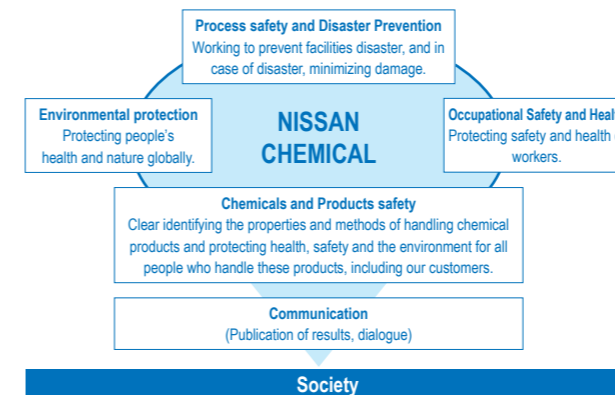


The responsible care activities are conducted voluntarily by firms that produce or handle chemical materials for securing "environmental protection, safety, and health" in all processes including chemical material development, production, distribution, use, final consumption, disposal, and recycling, and then executing and improving measures for safety, health, and environmental protection, based on the principles of self-decision and self-responsibility.

Our company has pledged to conduct the responsible care activities as a member of the responsible care committee of Japan Chemical Industry Association.

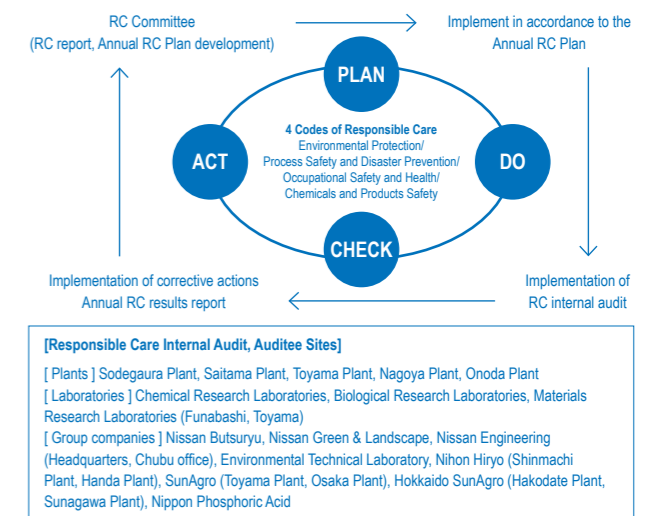
### Contents of the Responsible Care Activities

The Responsible Care Activities include all of the following activities for all parties who manufacture or deal in chemicals. As a member of the Responsible Care Committee of Japan Chemical Industries Association, our Company declares implementation of the "voluntary actions to ensure to protect environment, safety and health in all lifecycle, from development through to manufacture, use and disposal of our products"

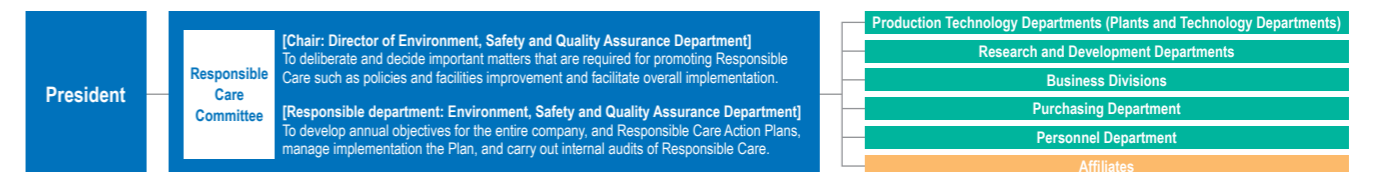


### Practice of Responsible Care

Our Company's Responsible Care Activities are implemented in accordance with the annual schedule based on the PDCA cycle, to be aimed continuous improvement year by year.



### Responsible Care Management System



### Principles for Responsible Care

1. To continuously improve the environment, safety and health performance over the entire lifecycle from development to disposal waste of our products.
2. To manage our business activities so as to prevent adverse impact on people and environment as well as to take into account the environment, health and safety during transporting, storing and disposing our products.
3. To examine the environment, health and safety aspects from the research and development stage, and to develop products and technologies with lower impact on the environment, health and safety.
4. To promote conservation of resource and energy, to minimize waste emissions and to recycle waste effectively.
5. To address the concerns of government officials and public regarding the influence of our products and operations on the environment, health and safety, while disclosing relevant information and participating in dialogue to promote proper understanding of the issues.
6. To ensure risk characterization and risk management based on sound scientific information in order to reinforce product stewardship.
7. To comply laws, regulations and standards, and to promote and meet voluntary initiatives for improving the environment, health and safety.
8. To ensure accountability in order to address the expectations of domestic and worldwide stakeholders for the promotion of the environment, health and safety.

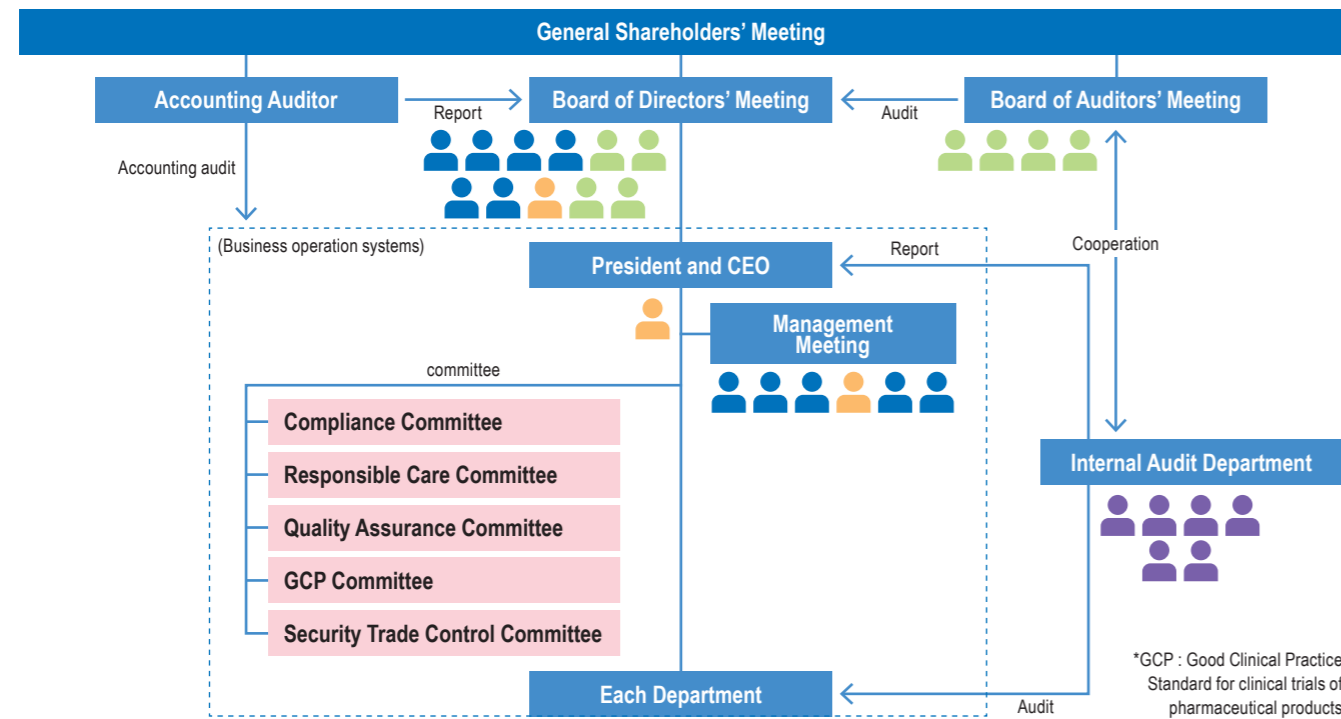
# CORPORATE GOVERNANCE

## Basic Philosophy of Corporate Governance

The corporate governance that our company is aiming at is "the system for sound and efficient management to achieve sustainable and long-term profit for our stakeholders". In order to establish this Corporate Governance, our Company, which has mid-sized and a wide range of businesses, will have the following system.

- (1) To achieve stable management decisions based on the collegial system by many board members who also have executing functions.
- (2) To secure soundness through effective supervision function of board members at board meetings.
- (3) To secure soundness through appropriate auditing of board members by auditors.
- (4) To secure soundness by establishing effectively functioning internal control system.
- (5) To establish and efficiently operate internal control system for timely and appropriate decision making needed for management.

## Corporate Governance System



Board of Directors' Meeting	Board of Directors' Meeting is held regularly every month. 7 Board of Directors (1 outside director) and 4 Auditors (3 outside auditors) attend the Meeting. Important decisions concerning management are made at the Meeting. At the same time, the Meeting has a function of supervising the business execution of the Board of Directors.
Internal Control	In order for prompt decision making while carefully deliberating important matters to exclude/reduce business risks, the important matters concerning management are decided at the "Board of Directors' Meeting" or "Management Meeting" which is composed of executive directors, in accordance with our internal regulations (Regulations Concerning Board of Directors' Meeting and Regulations Concerning Management Meeting). Furthermore, in order to enhance the supervisory function of "Board of Directors' Meeting", the matters decided at the "Management Meeting" as well as the results of business execution based on the decision at the "Board of Directors' Meeting", etc. are reported at the "Board of Directors' Meeting"
Audit system	The Internal Audit Unit is in place, and based on the Internal Auditing Regulations, fair and independent internal audit is carried out. The business contents of the accounting, legal matters, intellectual property, environmental safety/quality assurance departments, etc. are checked from the expert point of view. Our Company's Board of Auditors' Meeting is composed of 4 members. In accordance with the audit plan developed at the Board of Auditors' Meeting, the Auditors attend the Board of Directors' Meeting and other important meetings and audit the business execution of the Board of Directors.

# OUR NETWORK



## Directory of Nissan Chemical

### Offices

Head Office  
7-1, Kanda Nishiki-cho 3-chome,  
Chiyoda-ku, Tokyo 101-0054  
Tel: 03-3296-8111

Sapporo Sales Office  
Maruito Sapporo Building  
1-1, Kita-Niijo-Nishi, Chuo-ku,  
Sapporo 060-0002 Tel: 011-251-0261

Sendai Sales Office  
Greenwood Sendai Ichibancho Building  
2-7-12, Ichibancho, Aoba-ku, Sendai  
980-0811 Tel: 022-266-4311

Nagoya Sales Office  
Nagoya KS Building  
3-1-18, Taiko, Nakamura-ku, Nagoya  
453-0801 Tel: 052-452-8623

Osaka Sales Office  
Osaka Daiichi Seimei Building  
1-8-17 Umeda, Kita-ku, Osaka 530-0001  
Tel: 06-6346-7200

Fukuoka Sales Office  
JPR Hakata Building  
1-4-4 Hakata Ekimae, Hakata-ku,  
Fukuoka 812-0011 Tel: 092-432-3421

### Plants

Sodegaura Plant  
11-1, Kitasode, Sodegaura,  
Chiba 299-0266 Tel: 0438-63-2341

Sodegaura Plant Goi Works  
12-17, Goiminamikaigan, Ichihara,  
Chiba 290-0045 Tel: 0436-22-2110

Saitama Plant  
235-1, Aza Nishidai, Oaza Jimbohara,  
Kamiatato-cho, Saitama 369-0305  
Tel: 0495-34-2810

Toyama Plant  
635 Sasakura, Fuchu-machi,  
Toyama 939-2792 Tel: 076-433-9602

Nagoya Plant  
7, Tsukiji-cho, Minato-ku,  
Nagoya 455-0045 Tel: 052-661-1676

Onoda Plant  
6903-1, Oaza Onoda, Sanyo-Onoda,  
Yamaguchi 756-0093  
Tel: 0836-83-2800

### Laboratories

Chemical Research Laboratories  
10-1, Tsuboi-Nishi 2-chome, Funabashi,  
Chiba 274-8507 Tel: 047-465-1112

Materials Research Laboratories  
488-6, Suzumi-cho, Funabashi,  
Chiba 274-0052 Tel: 047-774-0200

Biological Research Laboratories  
1470, Shiraoka, Shiraoka,  
Saitama 349-0294  
Tel: 0480-92-2513

## Group Network

### Domestic Group

Nissei Corporation  
1-10-5, Nihonbashihon-cho, Chuo-ku,  
Tokyo 103-0023 Tel: 03-3241-2548  
◆Sales of chemical products and insurance

Nissan Butsuryu Co., Ltd.  
1-10-5, Nihonbashihon-cho, Chuo-ku,  
Tokyo 103-0023 Tel: 03-5255-6901  
◆Transportation

Nissan Green & Landscape Co., Ltd.  
3-16-9, Utsukanda, Chiyoda-ku,  
Tokyo 101-0047 Tel: 03-3256-4031  
◆Landscaping and civil engineering

Nissan Engineering, Ltd.  
1-28-6, Kameido, Koto-ku, Tokyo 136-0071  
Tel: 03-3636-7578  
◆Plant engineering services

Environmental Technical Laboratory, Ltd.  
2-11-7, Kohoku, Adachi-ku, Tokyo 123-0872  
Tel: 03-3898-6643  
◆Environmental analysis

Nihon Hiryo Co., Ltd.  
1-10-5, Nihonbashihon-cho, Chuo-ku,  
Tokyo 103-0023 Tel: 03-3241-4231  
◆Fertilizers and agrochemicals

### Overseas Group

①Nissan Chemical America Corporation  
10375 Richmond Avenue, Suite 1000, Houston,  
Texas, 77042, U.S.A.  
Tel: 1-713-532-4745  
◆ Chemicals and Inorganic materials

②Nissan Chemical Europe S.A.R.L.  
Parc d'affaires de Crecy, 2 rue Claude  
Chappe, 69370 Saint Didier au Mont d'Or,  
FRANCE  
Tel: 33-4-37-64-40-20  
◆ Agrochemicals

③NCK Co., Ltd.  
127, Chupalsandan-ro, Paengseong-eup,  
Pyeongtaek-si, Gyeonggi-do, 451-805, KOREA  
Tel: 82-31-691-7044  
◆ Electronic materials

④Nissan Chemical Agro Korea Ltd.  
Room 2001, Samjeong Building, 69-5,  
Taepyeongro 2-ga, Jung-gu, Seoul 100-864,  
KOREA  
Tel: 82-2-774-6470  
◆ Agrochemicals

⑤Nissan Chemical Taiwan Co., Ltd.  
5F, No.67 Luke 2nd Rd., Luzhu Dist.,  
Kaohsiung City 821, Taiwan(R.O.C.)  
Tel: 886-7-695-5252  
◆ Electronic materials

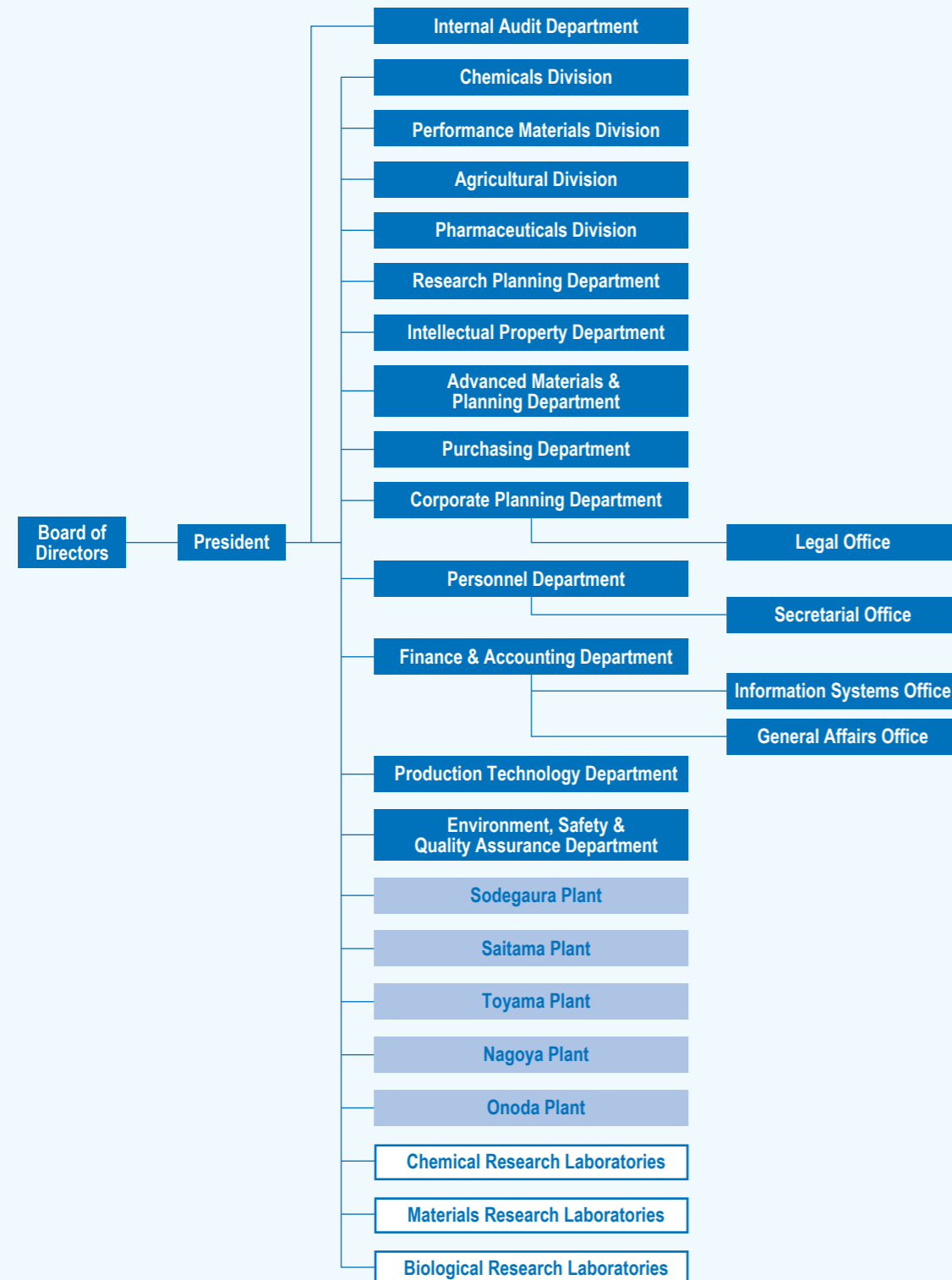
⑥Thin Materials GmbH  
Elsterstraße 23, 82223 Eichenau, GERMANY  
Tel: 49-89-3929-4604  
◆ Electronic materials

⑦Nissan Chemical Product(Shanghai) Co., Ltd.  
Room 1110, New Town Center 83, Lou Shan Guan  
Road, Shanghai China 200336  
Tel: +86-21-6236-8300  
◆ Agrochemicals

Domestic Group (Under the Equity Method)  
Sun Agro Co., Ltd.  
1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023  
Tel: 03-3510-3601  
◆ Fertilizers and agrochemicals

Clariant Catalysts(Japan)K.K.  
Bunkyo Green Court, Center Office 9F, 2-28-8,  
Honkomagome, Bunkyo-ku, Tokyo 113-0021  
Tel: 03-5977-7300  
◆ Catalysts for petrochemical and petroleum products

# ORGANIZATION CHART



# FIVE-YEAR SUMMARY

	Millions of Yen				
Consolidated	2010	2011	2012	2013	2014
Net sales	¥ 149,037	¥ 154,209	¥ 148,579	¥ 153,806	¥ 163,658
Operating income	19,151	19,818	15,478	19,548	22,246
Net income	12,751	12,954	10,975	13,879	16,701
Total assets	181,389	183,399	190,114	199,243	207,999
Equity	106,516	111,312	118,631	125,568	136,552
Capital expenditure	10,060	9,588	8,251	8,085	8,786
Depreciation expense	10,994	10,440	10,459	9,545	8,515
Amounts per share (in yen):					
Net income per share	¥ 74.00	¥ 75.94	¥ 64.52	¥ 83.74	¥ 102.11
Equity per share	618.23	654.33	697.36	766.87	850.91
Financial ratios (%):					
Equity ratio	58.7	60.7	62.4	63.0	65.7
Return on equity	12.6	11.9	9.5	11.4	12.7
Non-Consolidated					
Net sales	¥ 110,993	¥ 115,643	¥ 110,623	¥ 114,442	¥ 121,323
Operating income	15,912	16,735	13,095	16,369	18,489
Net income	10,435	12,344	9,981	11,756	14,995
Total assets	160,288	163,956	169,081	175,032	180,971
Equity	93,835	98,536	105,002	109,156	117,117
Amounts per share (in yen):					
Net income per share	¥ 60.56	¥ 72.37	¥ 58.67	¥ 70.92	¥ 91.68
Equity per share	544.63	579.23	617.24	666.63	729.81
Cash dividends per share	24.0	24.0	24.0	26.0	30.0
Financial ratios (%):					
Equity ratio	58.5	60.1	62.1	62.4	64.7
Year-end statistics:					
Number of shareholders	13,801	16,596	16,403	14,434	12,689
Number of employees	1,710	1,750	1,726	1,712	1,707

# FINANCIAL REVIEW

## Financial Review for the Year Ended March 31, 2014

### Overview

In the current consolidated fiscal year (Apr. 1, 2013–Mar. 31, 2014), the domestic economy recovered gently due to the effects of the economic and financial policies of the Japanese government, the yen depreciation becoming the norm, etc.

As for our businesses, the Chemicals segment was in a severe situation due to the increase in material and fuel costs, but the yen depreciation provided us with some benefits. In the Performance Materials segment, the performance of the materials for displays and semiconductors was favorable. As for the Agrochemicals segment, the sales promotion of the paddy rice herbicide and the household Roundup Max Load AL (non-selective foliage herbicide) as well as the newly developed active substance of the veterinary medical product contributed to the increase in profits. The Pharmaceutical segment was affected by the expiration of the compound patent for LIVALO.

### Operating Results

For the current term, sales were 163,658 million yen (an increase of 9,852 million yen from the previous term), operating income was 22,246 million yen (an increase of 2,698 million yen from the previous term), and net income marked a record high of 16,701 million yen (an increase of 2,821 million yen).

### Financial Position

The total assets as of the end of the current consolidated financial year were 207,999 million yen, an increase of 8,755 million yen from the previous consolidated fiscal year, as inventory assets, investment account securities, etc. increased.

Total liabilities were 70,176 million yen, a decrease of 2,365 million yen from the previous consolidated fiscal year, because interest-bearing debts decreased.

Net assets were 137,822 million yen, an increase of

11,121 million yen from the previous consolidated fiscal year.

As a result, equity ratio increased by 2.7 points to 65.7% from the end of the previous consolidated fiscal year.

### Cash Flow Analysis

As a result of deducting the payment amount of income tax, etc. from the increase or decrease in net income before income taxes and minority interests, depreciation, and operating capital, the cash flow from operating activities for this consolidated fiscal year was an income of 23,759 million yen (the income for the previous consolidated fiscal year was 22,839 million yen).

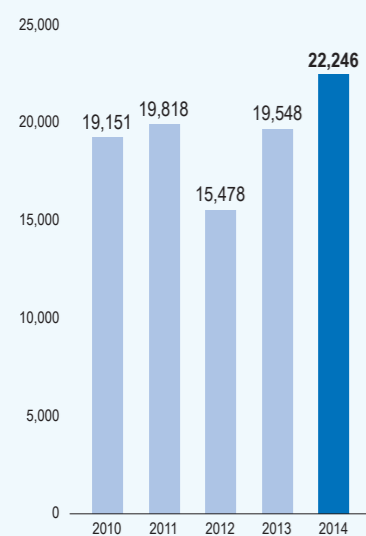
The cash flow from investment activities was an expenditure of 13,471 million yen (the expenditure for the previous consolidated fiscal year was 9,253 million yen), mainly due to the investment in equipment in the Performance

Materials segment, etc.

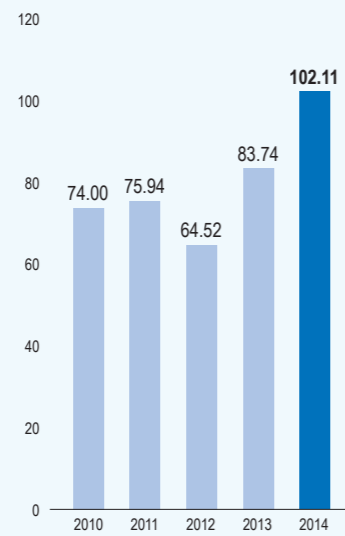
The cash flow from financing activities was an expenditure of 11,802 million yen (the expenditure for the previous consolidated fiscal year was 10,144 million yen), due to dividend payments, repayment of debts, acquisition of treasury shares, etc.

As a result, cash and cash equivalents as of the end of the current consolidated fiscal year were 30,757 million yen (31,878 million yen as of the end of the previous consolidated fiscal year), a decrease of 1,120 million yen from the end of the previous consolidated fiscal year, after adding an effect of exchange rate changes of 393 million yen.

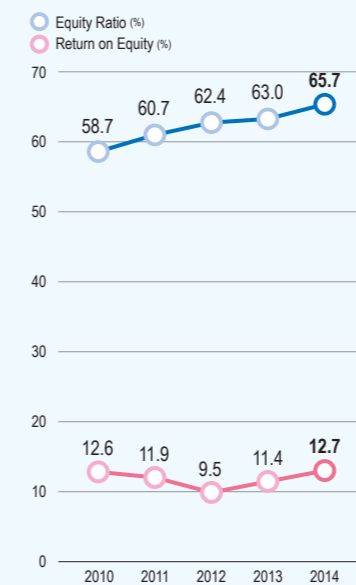
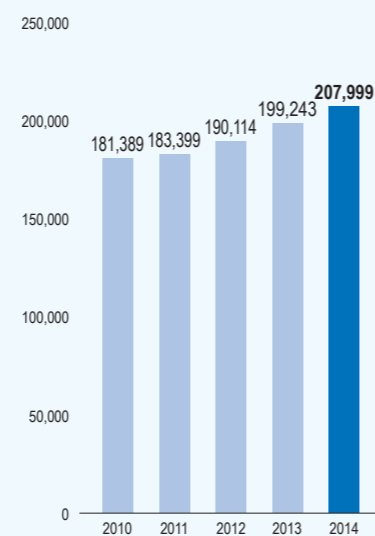
Operating Income (Millions of Yen)



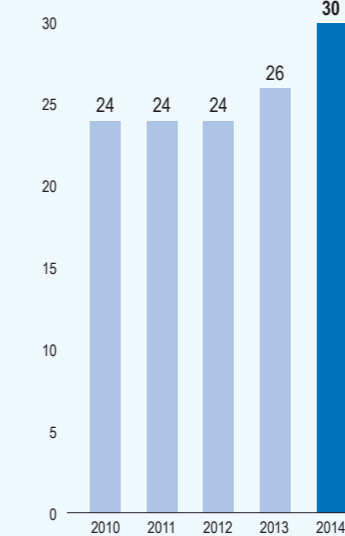
Net Income per Share (Yen)



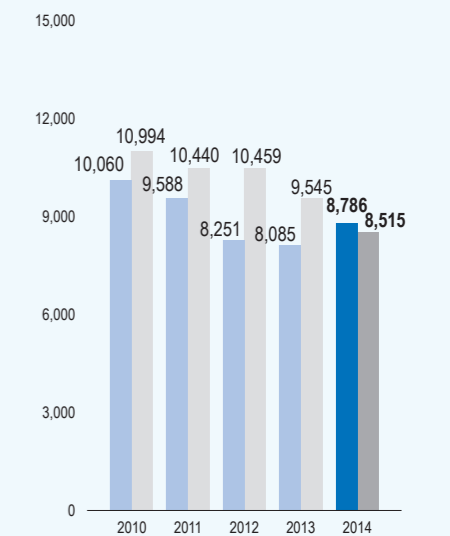
Total Assets (Millions of Yen)



Dividends per Share (Yen)



Capital Expenditures/Depreciation Expense (Millions of Yen)



# CONSOLIDATED BALANCE SHEETS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2014 and 2013

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2014	2013	2014
<b>Current assets:</b>			
Cash and time deposits	¥ 30,757	¥ 31,878	\$ 298,853
Notes and accounts receivable :			
Trade	54,041	56,661	525,080
Less allowance for doubtful receivables	(22)	(18)	(223)
Finished products and merchandise	26,775	25,076	260,157
Work in process	51	53	505
Raw materials and supplies	6,353	5,444	61,729
Deferred taxes-current	2,882	2,633	28,011
Other current assets	4,574	4,233	44,445
Total current assets	125,413	125,962	1,218,554
<b>Investments and advances :</b>			
Investment in securities (Note 12)	23,236	18,522	225,772
Investments in and advances to non-consolidated subsidiaries and affiliates	10,333	6,369	100,407
Long-term loans	26	31	257
Other investments	989	1,632	9,610
Less allowance for doubtful receivables	(240)	(109)	(2,341)
Total investments and advances	34,344	26,446	333,704
<b>Property, plant and equipment, at cost :</b>			
Land	9,374	9,465	91,084
Buildings and structures	53,393	52,514	518,790
Machinery and equipment	138,915	137,141	1,349,742
Leased assets	261	261	2,537
Construction in progress	3,768	814	36,619
Less accumulated depreciation	(160,737)	(156,191)	(1,561,775)
Total property, plant and equipment	44,975	44,006	436,998
<b>Other assets</b>			
Deferred taxes-non-current	55	70	536
Assets for retirement benefit (Note 14)	1,265	-	12,297
Intangible assets	1,251	1,971	12,159
Other	692	787	6,731
Total other assets	3,264	2,829	31,723
<b>Total assets</b>	¥ 207,999	¥ 199,243	\$ 2,020,979

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2014	2013	2014
<b>Current liabilities:</b>			
Short-term bank loans (Note 13)	¥ 23,579	¥ 24,012	\$ 229,102
Current portion of long-term debt (Note 13)	7,066	5,533	68,654
Notes and accounts payable	16,067	17,367	156,115
Accrued income taxes	3,512	3,776	34,125
Accrued expenses and other current liabilities	9,427	9,624	91,603
Total current liabilities	59,652	60,312	579,600
<b>Long-term liabilities:</b>			
Long-term debt (Note 12)	5,450	8,516	52,954
Deferred taxes - non-current	2,863	1,027	27,821
Liability for retirement benefit (Note 14)	244	345	2,376
(Provision for retirement benefit for 2013)			
Other long-term liabilities	1,966	2,340	19,105
Total long-term liabilities	10,524	12,229	102,256
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Common stock, ¥50 par value :	18,942	18,942	184,047
Authorized - 360,000,000 shares in 2014 and 2013			
Issued - 161,000,000 shares in 2014 and 165,000,000 in 2013			
Additional paid-in capital	13,611	13,611	132,255
Retained earnings	98,121	91,360	953,373
Less: Treasury stock, at cost 522,032 shares in 2014 and 1,258,186 in 2013	(698)	(1,053)	(6,791)
<b>Valuation and translation adjustments</b>			
Valuation gain of investment securities after tax-effect	6,138	3,541	59,645
Adjustments on foreign currency statement translation	20	(834)	197
Accumulated adjustments for retirement benefit	417	-	4,060
<b>Minority interests</b>	1,269	1,132	12,337
Total net assets	137,822	126,701	1,339,122
<b>Total liabilities and net assets</b>	¥ 207,999	¥ 199,243	\$ 2,020,979



# CONSOLIDATED STATEMENTS OF CASH FLOWS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2014	2013	2014
<b>Cash flows from operating activities :</b>			
Income before income taxes	¥ 23,723	¥ 20,492	\$ 230,507
Depreciation	8,515	9,544	82,740
Interest and dividend income	(660)	(600)	(6,416)
Interest expense	280	341	2,727
Loss (gain) on disposal of property, plant and equipment	284	361	2,766
Decrease (increase) in notes and accounts receivable	3,019	(770)	29,334
Decrease (increase) in inventories	(2,281)	(923)	(22,167)
Increase (decrease) in notes and accounts payable	(1,529)	(244)	(14,859)
Other, net	(1,898)	(1,276)	(18,445)
Total	29,454	26,924	286,187
Interest and dividends received	1,620	660	15,740
Interest paid	(287)	(368)	(2,795)
Income taxes paid	(7,027)	(4,377)	(68,279)
Net cash provided by operating activities	23,759	22,839	230,853
<b>Cash flows from investing activities :</b>			
Payments for purchase of investments in securities	(918)	(81)	(8,926)
Proceeds from sale of investments in securities	245	15	2,382
Payments for purchase of shares of subsidiaries	(2,749)	-	(26,712)
Payments for purchase of property, plant and equipment	(8,999)	(8,039)	(87,439)
Proceeds from sale of property, plant and equipment	(170)	(257)	(1,660)
Repayments of loans	(400)	(182)	(3,891)
Other, net	(478)	(708)	(4,648)
Net cash used in investing activities	(13,471)	(9,253)	(130,895)
<b>Cash flows from financing activities :</b>			
Increase (decrease) in short-term bank loans	(588)	2,453	(5,721)
Increase (decrease) in long-term debt	4,000	3,000	38,865
Repayments of long-term debt	(5,533)	(6,451)	(53,766)
Cash dividends paid	(4,584)	(4,006)	(44,547)
Cash dividends paid to minority subsidiaries	(48)	(71)	(468)
Repurchase of treasury stocks	(5,001)	(5,001)	(48,598)
Other, net	(45)	(68)	(441)
Net cash used in investing activities	(11,802)	(10,144)	(114,676)
<b>Effect of exchange rate changes on cash</b>	<b>393</b>	<b>532</b>	<b>3,826</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,120)</b>	<b>3,972</b>	<b>(10,891)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>31,878</b>	<b>27,906</b>	<b>309,745</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥ 30,757</b>	<b>¥ 31,878</b>	<b>\$ 298,853</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain aspects as to apply and disclosure requirements of accounting principles generally accepted in the United States of America and International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassification and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

## 2. Summary of significant accounting policies

### a. Consolidation

The consolidated financial statements as of March 31, 2014, include the account of the Company and its significant 9 subsidiaries (10 in 2013). The Company does not consolidate other subsidiaries due to their immateriality in terms of consolidated total assets, net sales, net income and retained earnings.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in 2 (2 in 2013) affiliated companies are accounted for by the equity method.

The assets and liabilities of the newly consolidated subsidiaries are stated at fair value as of their respective dates of acquisition.

The differences between the cost and the underlying net equity in the net assets at the dates of acquisition of the consolidated subsidiaries and companies accounted for by the equity method are amortized by the straight-line method within 20 years.

All significant inter-company balances and transactions have been eliminated in consolidation.

All material unrealized profits included in assets resulting from transactions within the Companies are eliminated.

At this consolidated financial year ended March 31, 2014, we

have changed the financial year of Nissan Chemical America and Nissan Chemical Europe S.A.R.L from December 31 to March 31 and integrated to the consolidated financial year. Due to this change, the financial period of Nissan Chemical America is 15 months for this consolidated financial year.

### b. Translation of foreign currency

Assets and liabilities of the Company's subsidiaries located outside Japan are translated into Japanese yen at the rate of exchange in effect at the balance sheet date. Revenue and expense items are translated at the average exchange rates prevailing during the year. Gains and losses resulting from foreign currency transactions are included in other income (deductions), and those resulting from translation of financial statements are excluded from the statements of income and are accumulated in net assets as a component of accumulated other comprehensive income (loss).

### c. Cash and Cash equivalent

The Company and its consolidated subsidiaries considers cash equivalents include all highly liquid investments purchased with original maturities of three months or less.

### d. Securities

The Company's marketable securities are reported at fair value. Unrealized holding gains and losses, net of the related tax effect, on marketable securities are excluded from earnings and are reported as a separate component of other comprehensive income until realized. Realized gains and losses for securities are included in earnings and are derived using the moving average method for determining the cost of securities sold.

Non-marketable securities in companies over which the Company does not have the ability to exercise significant influence are stated at cost and reviewed periodically for impairment.

### e. Inventories

Inventories are stated at the lower of cost or market, cost being determined primarily by the average method.

### f. Property, Plant and Equipment (excluding leased assets)

Property, plant and equipment are stated at cost. Depreciation of

property, plant and equipment is computed principally by the declining-balance method over the estimated useful lives of these assets.

The estimated useful life ranges from 2 years to 50 years for buildings and structures, 2 years to 12 years for machinery and equipment.

g. Intangible Assets (excluding leased assets)

The Company amortizes intangible assets using straight-line method. Software is amortized as well based on its availability period (five years).

h. Leased Assets

Leased assets arising from finance lease transactions which do not transfer ownership to the lessee are depreciated to a residual value of zero by the straight-line method using the contract term as the useful life.

i. Allowance for Doubtful Accounts

The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing trade receivables.

An additional reserve for individual receivable is recorded when the Company becomes aware of a customer's inability to meet its financial obligations, to meet its financial obligations, such as in the case of bankruptcy filing or deterioration in a customer's operating results or financial position. If customer circumstances change, estimates of the recoverability of receivables would be further adjusted.

j. Allowance for Employees' bonuses

The Company provides allowance for employees' bonuses based on the estimated amounts payable.

k. Allowance for bonuses for Directors and Company Auditors

The Company provides allowance for bonuses for directors and company auditors based on the estimated amounts payable.

l. Provision for Retirement Benefits

The Company has a defined benefit pension plan and a retirement plan covering substantially all of its employees.

The method of calculating the estimated amount of all retirement benefits to be paid at future retirement dates is straight-line straight-line attribution.

Actuarial gains and losses are primarily amortized using the declining-balance method over the average of the estimated remaining service years (16 years) commencing from this accounting period.

m. Derivatives and Hedge Accounting

The Company enters into interest rate swap contracts to hedge the risk of changes in interest rates over borrowings.

Derivatives are carried at fair value with any change in unrealized gains and losses charged to income, except for those which meet the criteria for deferral hedge accounting those which meet the criteria for deferral hedge accounting under which unrealized gains or losses, net of the applicable income taxes, is reported as a component of accumulated other comprehensive income (loss).

If interest rates swap contracts meet certain criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

3. U.S. Dollar Amounts

The accompanying consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2014, the currency of the country in which the Company operates. The translation of Japanese yen amounts into United States dollar amounts is included solely for the convenience of the reader and has been made at the rate of ¥102.92 to US \$1, the approximate

closing rate of exchange reported by the Tokyo Foreign Exchange Market on March 31, 2014. Such translation should not be construed as a representation that the amounts shown could be converted into United States dollars at the above rate.

4. Change in Accounting Policy

Effective from the year ended March 31, 2014, the Company adopted the "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26 on May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No.25 on May 17, 2012), except for paragraph 35 of the Standard and paragraph 67 of the Guidance.

Under the new standard, plan assets are deducted from retirement benefit obligations and the net amount is recognized as liability for retirement benefit, and previously unrecognized actuarial gains or losses is recognized as well.

In case plan assets exceed benefit obligations, the Company recorded it as asset for retirement benefit.

In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policies arising from initial application is recognized in accumulated adjustments for retirement benefit within accumulated other comprehensive income in the net asset section, as of section.

As a result, ¥1,265 million is recorded as asset for retirement benefit and ¥244 million is recorded as liability for retirement benefit as of March 31, 2014. Other comprehensive income (accumulated adjustments for retirement benefit) increased by ¥417 million as well.

5. Accounting Standards issued but not yet applied

Accounting Standard for Retirement Benefits "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No.25) were revised on May 17, 2012.

Under the revised accounting standard, actuarial gains or losses and past service costs shall be recognized within assets in the consolidated balance sheets, after adjusting tax effects, and the funding deficit or surplus shall be recognized as a liability or asset. In addition, the new accounting standard allows a choice for the method of attributing expected attributing expected benefits to periods of either the straight-line basis or plan's benefit formula basis.

The determination method of the discount rate was also amended.

The Company expects to apply the revised accounting standard from the beginning of the fiscal year ending March 31, 2015. In accordance with transitional accounting, the Company will not apply this revision to the past consolidated financial statements. financial statements. The effect of adoption of this revised accounting standard is now under assessment at this time of preparation of the accompanying consolidated financial statements.

6. Reclassifications

Certain account balances in the financial statements and accompanying footnotes for the year ended March 31, 2013 and 2014 have been reclassified to conform to the presentation for the fiscal year ended March 31, 2014.

7. Collateral Assets and Liabilities

Collateral assets and liabilities collateral as of March 31, 2014 and 2013 were as follows :

(1) Collateral Assets

	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Investments in securities	¥ 166	¥ 128	\$ 1,613

(2) Collateral Liabilities

	Millions of Yen		U.S. Dollars
	2014	2013	2014
Liabilities	¥ 294	¥ 348	\$ 2,857



## 8. Research and Development Expenses

Research and development expenses were ¥14,232 million (\$138,282 thousand) for the year ended March 31, 2014 and ¥13,709 million for the year ended March 31, 2013.

## 9. Impairment Loss

Impairment loss for the year ended March 31, 2014 were as follows :

Location	Use	Type of assets
Texas, United States of America	Manufacturing facility	Building and structures

The Company and its consolidated subsidiaries classified property, plant, and equipment and intangible assets into groups based on the respective type of business, which are the units of making investment decisions.

Some subsidiaries do not constitute a group and measured by it selves, according to their size.

As the above assets have not generating cash, the Company reduced its book value and recorded in other expense for ¥75 million (\$728 thousand) as an impairment loss for the year ended March 31, 2014.

## 10. Amounts per share

Net income per share is based on the weighted average number of shares of common stock outstanding during the year.

Cash dividends per share attributable to the period represent dividends declared as applicable to the year.

Amounts per share of net income and cash dividends for the year ended March 31, 2014 and 2013 were as follows :

	Yen		U.S. Dollars
	2014	2013	2014
Net income	¥ 102.11	¥ 83.74	\$ 0.992
Cash dividends	¥ 30.00	¥ 26.00	\$ 0.291

## 11. Common Stock

(1) Dividends

Cash dividends charged to retained earnings during the years

ended March 31, 2014 and 2013 represent dividends paid out during those years. The accompanying consolidated financial statements do not include any provision for a dividend approved by the Board of Directors of ¥16 (\$0.15) per share aggregating ¥2,567 million (\$24,941 thousand) in respect of the year ended March 31, 2014.

## (2) Retained Earnings

Retained earnings of consolidated basis consists of legal reserve and retained earnings. In accordance with provisions of the Companies Act of Japan, the Company has provided a legal reserve as an appropriation of retained earnings. The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to stated capital common stock by resolution of the Board of Directors. Legal reserve in the accompanying consolidated financial statement includes only that of the Company. Retained earnings of the Company and its consolidated subsidiaries include certain special reserve for the purpose of obtaining tax benefits in accordance with the Special Taxation Law of Japan.

## 12. Investments in Securities

Investments in securities as of March 31, 2014 and 2013 were as follows :

	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Listed securities	¥ 18,765	¥ 13,860	\$ 182,326
Other marketable securities	4,470	4,662	43,432
	¥ 23,236	¥ 18,522	\$ 225,772

## 13. Short-term loans and Long-term debt

Short-term loans consisting of unsecured bank overdraft at March 31, 2014 were ¥23,579 million (\$229,102 thousand).

The weighted average interest rate on short-term loans outstanding at March 31, 2014 was 0.67%.

Short-term loans and long-term debt as of March 31, 2014 and 2013 were as follows :

	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Unsecured loans from banks and others, at interest rates ranged 0.73% to 2.10%, maturing from serially through 2018	¥ 12,516	¥ 14,050	\$ 121,608
	12,516	14,050	121,608
Less current portion	(7,066)	5,534	(68,654)
	¥ 5,450	¥ 8,516	\$ 52,954

Long-term debt payments fall due after March 31, 2014 were as follows :

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2015	¥ 7,066	\$ 68,655
2016	1,750	17,003
2017	1,500	14,574
2018 and thereafter	2,200	21,376
	¥ 12,516	\$ 121,608

## 14. Retirement Benefits

The liability for retirement benefit as of March 31, 2014 and 2013 were as follows :

	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Retirement benefit obligation	¥ (12,212)	¥ (11,804)	\$ (118,655)
Plan asset	13,234	11,786	128,585
Unfunded retirement benefit obligation	1,021	(18)	9,930
Unrecognized actuarial loss	-	104	-
Net retirement benefit obligation	1,021	86	9,930
Asset for retirement benefit (Prepaid pension expenses for 2013)	(1,265)	(431)	(12,297)
Liability for retirement benefit (Provision for retirement benefit for 2013)	¥ (244)	¥ (345)	¥ (2,376)

## 15. Income taxes

The Company is subject to a number of taxes based on income, which in the aggregate result in a normal income tax of approximately 38.01% for the year ended March 31, 2014, as well as for the year ended March 31, 2013.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2014 and 2013 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2014	2013	2014
Deferred tax assets :			
Inventory	¥ 648	¥ 614	\$ 6,296
Allowance for bonus	622	642	6,044
Impairment loss on securities	500	501	4,858
Prepaid expenses	463	326	4,499
Others	2,349	2,393	22,824
Gross deferred tax assets	4,582	4,476	44,520
Less: Valuation allowance	(162)	(93)	(1,574)
Total deferred tax assets	4,420	4,383	42,946
Deferred tax liabilities:			
Unrealized gain on securities	(3,402)	(1,967)	(33,055)
Reserve for advanced depreciation of fixed assets	(354)	(369)	(3,440)
Other	(589)	(371)	(5,723)
Total deferred tax liabilities	(4,345)	(2,707)	(42,217)
Net deferred tax assets	¥ 75	¥ 1,676	\$ 729

The differences between the above statutory tax rate and the effective tax rates were due principally to the effect of timing differences in the recognition of certain income and expenses for tax and financial reporting purposes and expenses not deductible for income tax purposes.

## 16. Segment Information

### (1) General Information about reportable segments

The Company's reportable segments are components of the Group that engage in business activities, whose operating results are regularly reviewed by the Board of Directors when making resource allocation and performance assessment decisions, and for which discrete financial information is available.

Divisions by products and services are located in the headquarter, and each division works out a comprehensive strategy applicable to their products and services and carries out their business activities.

The Company consists of segments based on divisions as follows :

Segment	Main Products
Chemicals	Basic Chemicals (melamine, sulfuric acid, nitric acid, ammonia, etc) Fine Chemicals (epoxy compound for LED sealants, solder resist and painting)
Performance Materials	Display Materials (LCD alignment coating, etc) Semiconductor Materials (bottom anti-reflective coating for semiconductors, etc) Inorganic Materials (hard coating materials, electronic information materials, polishing materials, etc)
Agrochemicals	Agrochemicals (herbicide, insecticide, fungicide, fungicide and insecticide, plant growth regulator) Animal health products
Pharmaceuticals	LIVALO (anti-cholesterol drug), etc Custom Chemicals (custom manufacturing and process services for pharmaceutical companies)
Trading	Trading, etc
Others	transportation, landscaping, engineering, fertilizer, etc

### (2) Basis of measurement of reported segment income or loss, segment assets and other material items

The accounting policies for the reportable segments are consistent with the Company's accounting policies used in the preparation of its consolidated financial statements.

Intersegment sales and income (loss) are recognized based on current market prices.

### (3) Change in reportable segments

The Company shifted the Custom Chemicals from Chemicals to Pharmaceuticals from the third quarter ended December 31, 2013.

The below reported segment information for the year ended March 31, 2013 reflects this change.

### (4) Information on sales, income(loss), assets and other item amounts by reportable segment.

2013	Millions of Yen							Consolidated Total
	Chemicals	Performance Materials	Agrochemicals	Pharmaceuticals	Trading	Other	Adjustment	
Sales								
Customers	¥ 26,061	¥ 32,840	¥ 32,946	¥ 12,615	¥ 38,409	¥ 10,933	¥ -	¥ 153,806
Intersegment	8,443	4,527	2,471	59	8,148	10,316	(33,967)	-
Total Sales	¥ 34,504	¥ 37,368	¥ 35,418	¥ 12,674	¥ 46,557	¥ 21,249	¥ (33,967)	¥ 153,806
Segment income (loss)	¥ 1,894	¥ 7,170	¥ 5,042	¥ 5,260	¥ 1,350	¥ 685	¥ (1,855)	¥ 19,548
Segment assets	¥ 27,030	¥ 34,315	¥ 46,677	¥ 14,596	¥ 17,311	¥ 9,185	¥ 50,126	¥ 199,243
Other items								
Depreciation and amortization	¥ 1,564	¥ 3,690	¥ 1,312	¥ 1,555	¥ 107	¥ 423	¥ 257	¥ 8,911
Amortization of goodwill	-	¥ 6	¥ 624	-	¥ 2	-	-	¥ 633
Increase of property, plant and equipment and intangible assets	¥ 904	¥ 3,109	¥ 2,518	¥ 756	¥ 37	¥ 454	¥ 304	¥ 8,085

Notes: The adjustments are as follows :

1) The negative ¥1,855 million adjustment in segment income includes ¥412 million in intersegment eliminations and negative ¥1,443 million corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to segments.

2) The ¥50,126 million adjustment in segment assets includes negative ¥9,270 million in inter-segment asset and liability eliminations and ¥59,397 million in corporate assets not attributable to any reportable segment. The corporate assets are mainly group administrative assets which do not belong to segments.

3) The ¥257 million adjustment in depreciation and amortization mainly consists of that of corporation assets.

4) The ¥304 million adjustment in increase of property, plant and equipment and intangible assets is corporate assets.

2014	Millions of Yen							Consolidated Total
	Chemicals	Performance Materials	Agrochemicals	Pharmaceuticals	Trading	Other	Adjustment	
Sales								
Customers	¥ 26,461	¥ 37,617	¥ 36,168	¥ 11,493	¥ 40,503	¥ 11,413	¥ -	¥ 163,658
Intersegment	9,031	5,214	2,961	56	10,148	10,032	(37,445)	-
Total Sales	¥ 35,493	¥ 42,832	¥ 39,130	¥ 11,550	¥ 50,651	¥ 21,446	¥ (37,445)	¥ 163,658
Segment income (loss)	¥ 1,897	¥ 8,810	¥ 6,229	¥ 4,940	¥ 1,495	¥ 757	¥ (1,883)	¥ 22,246
Segment assets	¥ 25,777	¥ 37,980	¥ 48,569	¥ 12,699	¥ 18,109	¥ 9,082	¥ 55,778	¥ 207,999
Other items								
Depreciation and amortization	¥ 1,417	¥ 3,153	¥ 1,405	¥ 1,190	¥ 85	¥ 372	¥ 257	¥ 7,882
Amortization of goodwill	-	¥ 6	¥ 624	-	¥ 2	-	-	¥ 633
Increase of property, plant and equipment and intangible assets	¥ 1,231	¥ 4,275	¥ 1,342	¥ 624	¥ 27	¥ 377	¥ 906	¥ 8,786

Notes: The adjustments are as follows:

1) The negative ¥1,883 million adjustment in segment income includes ¥398 million in intersegment eliminations and negative ¥1,485 million corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to segments.

2) The ¥55,778 million adjustment in segment assets includes negative ¥9,738 million in inter-segment asset and liability eliminations and ¥65,516 million in corporate assets not attributable to any reportable segment. The corporate assets are mainly group administrative assets which do not belong to segments.

3) The ¥257 million adjustment in depreciation and amortization mainly consists of that of corporation assets.

4) The ¥906 million adjustment in increase of property, plant and equipment and intangible assets is corporate assets.

2014	Thousands of U.S.Dollars							Consolidated Total
	Chemicals	Performance Materials	Agrochemicals	Pharmaceuticals	Trading	Other	Adjustment	
Sales								
Customers	\$ 257,109	\$ 365,507	\$ 351,421	\$ 111,675	\$ 393,540	\$ 110,898	\$ -	\$ 1,590,150
Intersegment	87,752	50,664	28,778	553	98,603	97,478	(363,829)	-
Total Sales	\$ 344,861	\$ 416,171	\$ 380,199	\$ 112,228	\$ 492,143	\$ 208,376	\$ (363,829)	\$ 1,590,150
Segment income (loss)	\$ 18,432	\$ 85,607	\$ 60,524	\$ 47,999	\$ 14,534	\$ 7,364	\$ (18,303)	\$ 216,157
Segment assets	\$ 250,462	\$ 369,030	\$ 471,919	\$ 123,396	\$ 175,959	\$ 88,259	\$ 541,955	\$ 2,020,979
Other items								
Depreciation and amortization	\$ 13,776	\$ 30,638	\$ 13,656	\$ 11,567	\$ 835	\$ 3,616	\$ 2,500	\$ 76,586
Amortization of goodwill	-	\$ 58	\$ 6,068	-	\$ 28	-	-	\$ 6,154
Increase of property, plant and equipment and intangible assets	\$ 11,966	\$ 41,546	\$ 13,048	\$ 6,067	\$ 263	\$ 3,669	\$ 8,809	\$ 85,368

Overseas operations, which represent sales to customers outside Japan for the years ended March 31, 2014 and 2013 were as follows :

2014	Millions of Yen			Consolidated Total
	Japan	Asia	Europe and the United States	
Sales	¥ 110,002	¥ 41,833	¥ 11,823	¥ 163,658

2013	Millions of Yen			Consolidated Total
	Japan	Asia	Europe and the United States	
Sales	¥ 109,184	¥ 35,434	¥ 9,188	¥ 153,806

2014	Thousands of U.S.Dollars			Consolidated Total
	Japan	Asia	Europe and the United States	
Sales	\$ 1,068,811	\$ 406,463	\$ 114,877	\$ 1,590,151

# INDEPENDENT AUDITORS' REPORT

## Yaesu Audit Company

5-17, Yaesu 1-chome, Chuo-ku, Tokyo 103-0028, Japan  
Phone: +(81)-3-3242-1351 Fax: +(81)-3-3242-1353

### Independent Auditor's Report

To the Board of Directors of  
Nissan Chemical Industries, Ltd.

We have audited the accompanying consolidated financial statements of Nissan Chemical Industries, Ltd. and consolidated subsidiaries, which comprise the consolidated balance sheets as of March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese Yen.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissan Chemical Industries, Ltd. and consolidated subsidiaries as of March 31, 2014, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

#### **Convenience Translation**

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Yaesu Audit Company  
Tokyo, Japan  
June 26, 2014



# HISTORY

Based on calendar year

1887	Founded as Tokyo Jinzo Hiryo, later changed to Dainippon Jinzo Hiryo
1937	Changes corporate name to Nissan Chemical Industries, Ltd.
1951	Introduces SNOWTEX colloidal silica
1964	Begins manufacturing of melamine at Toyama Plant using an original high-pressure production method
1965	Introduces disinfectant germicide, HILITE
1969	Opens Sodegaura Plant
1971	Opens Central Research Institute
1978	Introduces special epoxy compound, TEPIC
1984	Introduces TARGA, a grass herbicide for export use Introduces SUNEVER, polyimide for LCD alignment coatings
1985	Enters pharmaceutical field with introduction on EPATEC Introduces high-purity chemical line for the electronics industry
1989	Establishes Nissan Chemical America Corporation
1990	Introduces SIRIUS, a rice paddy herbicide
1991	Establishes Nissan Chemical Europe GmbH Introduces SANMITE, an acaricide
1994	Introduces LANDEL, an anti-hypertension agent Introduces PERMIT, a herbicide for corn crops Granted ISO 9002 certification for all plants and products
1996	Establishes Nissan Chemical Houston Corporation
1997	Commences producing organosilicasol at Nissan Chemical Houston Corporation
1998	Introduces "BARC", anti-reflective coating for semiconductors by license from Brewer Science, Inc.
1999	Introduces DAR, an intermediate for a superfiber
2000	Introduces MITO-KOHNE, a new selective acaricide
2001	Establishes Nissan Chemical Korea Co., Ltd. Opens representative office in Taipei
2002	Acquires Monsanto Japan's herbicide business
2003	Introduces LIVALO, an anti-hyperlipidemic agent Opens representative office in Shanghai
2005	Establishes Nissan Chemical Agro Korea
2007	Opens new Electronic Materials Research Laboratories
2008	Introduces LEIMAY, a fungicide
2009	Introduces STARMITE, an acaricide
2010	Acquires Dow AgroSciences' Thifluzamide fungicide business Established Nissan Chemical Taiwan Co., Ltd.
2013	Acquired Thin Materials GmbH Merged NCH into NCA
2014	Established Nissan Chemical Product (Shanghai) Co., Ltd.

# CORPORATE PROFILE

(As of March 31, 2014)

<b>Corporate Name</b>	Nissan Chemical Industries, Ltd.
<b>Head Office</b>	7-1, Kanda Nishiki-cho 3-chome, Chiyoda-ku, Tokyo 101-0054, Japan TEL: 03-3296-8111
<b>Founded</b>	1887
<b>Common Stock</b>	161,000,000 shares ¥18,942 million
<b>Number of Shareholders</b>	12,689
<b>Number of Employees</b>	2,281
<b>Stock Listing</b>	Tokyo Stock Exchange
<b>Transfer Agent</b>	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

## Directors / Corporate Auditors / Executive Officers (As of June 26, 2014)

<b>Representative Director, President &amp; CEO</b>	Kojiro Kinoshita
<b>Director, Senior Executive Vice President</b>	Jun-ichi Miyazaki
<b>Director, Senior Managing Executive Officer</b>	Kiminori Hirata
<b>Director, Senior Managing Executive Officer</b>	Hiroyoshi Fukuro
<b>Director, Managing Executive Officer</b>	Tsuneo Higuchi
<b>Director, Managing Executive Officer</b>	Kazuhiro Yagisawa
<b>Outside Director</b>	Tisato Kaiyama
<b>Corporate Auditors</b>	Katsumi Akita Sumio Kondo Kikuo Takatsuki Noriyuki Katayama
<b>Executive Officers</b>	Mitsuaki Sakashita Katsuaki Miyaji Satoru Hamamoto Nobutomo Tsuruzoe Jun-ichi Watanabe Hidenori Takishita Takeshi Iwata Shuichiro Dobashi Hiroshi Onitsuka Hitoshi Suzuki Masataka Hatanaka Yuji Nishida Takashi Honda

# STOCK INFORMATION

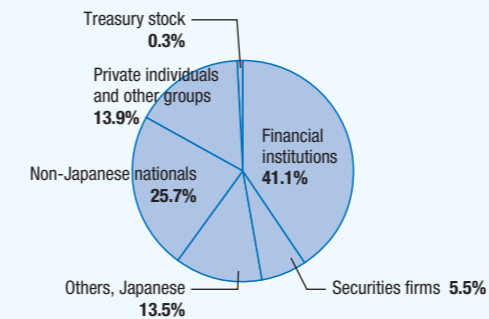
(As of March 31, 2014)

Total Number of Authorized Shares	360,000,000
Shares of Common Stock Issued	161,000,000
Shareholders	12,689

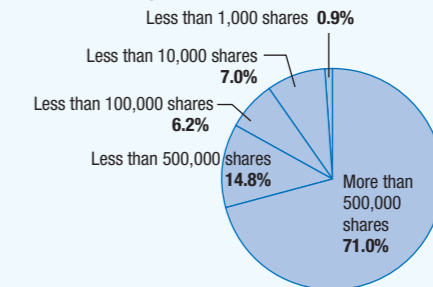
## Major Shareholders (Top Five Companies)

	Number of shares held (thousands)	Percentage of total shares in issue (%)
Japan Master Trust Bank, Ltd. (Trust Account)	13,871	8.6
Japan Trustee Services Bank, Ltd. (Trust Account)	9,072	5.6
Mizuho Trust & Banking Co., Ltd. (Employee Retirement Benefit Trust of Mizuho Bank)		
New trust custodian: Trust & Custody Services Bank, Ltd.	8,180	5.1
The Norinchukin Bank	4,800	3.0
Shareholding association of business partners of Nissan Chemical	4,095	2.5

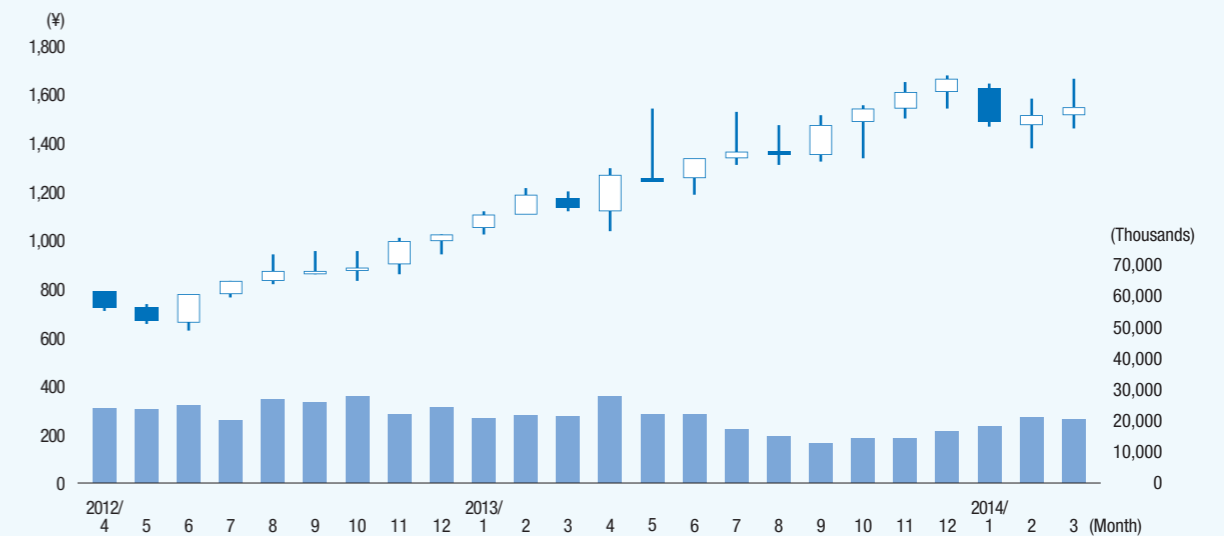
## Breakdown of Shareholders by Type



## Breakdown by Number of Shares Held



## Stock Quote and Chart (April 2012-March 2014)



 **NISSAN CHEMICAL INDUSTRIES, LTD.**  
[www.nissanchem.co.jp](http://www.nissanchem.co.jp)