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

Corporate ethos

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 ensure 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.

Guidelines for action

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.

Corporate ethos

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

Guidelines for action

Corporate ethos

Guidelines for action

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.

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Corporate ethos

Guidelines for action

Basic policies
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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.
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

<table>
<thead>
<tr>
<th></th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>¥ 163,658</td>
<td>$ 1,590,150</td>
</tr>
<tr>
<td>Net income</td>
<td>16,701</td>
<td>162,273</td>
</tr>
<tr>
<td>Equity</td>
<td>136,952</td>
<td>1,326,785</td>
</tr>
<tr>
<td>Amounts per share (in yen and U.S. dollars):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 102.11</td>
<td>$ 0.99</td>
</tr>
<tr>
<td>Equity</td>
<td>850.91</td>
<td>8,277</td>
</tr>
</tbody>
</table>

Non-Consolidated

<table>
<thead>
<tr>
<th></th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>¥ 121,323</td>
<td>$ 1,170,818</td>
</tr>
<tr>
<td>Net income</td>
<td>14,995</td>
<td>140,763</td>
</tr>
<tr>
<td>Equity</td>
<td>117,117</td>
<td>1,137,065</td>
</tr>
<tr>
<td>Amounts per share (in yen and U.S. dollars):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 91.68</td>
<td>$ 0.89</td>
</tr>
<tr>
<td>Equity</td>
<td>729.81</td>
<td>7,092</td>
</tr>
</tbody>
</table>

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.
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 NANOFIBERGEL®.

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

NANOFIBERGEL® 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.

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.

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 ROUNDP 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.

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.
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.

In order to accelerate the creation of new products and agents by brushing up our research and development capabilities.

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**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 demineralized 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.
**Main Products**

**SUNEVER**

SUNEVER is a polymeric 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.

**Operating Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Millions of Yen)</td>
<td>33,967</td>
<td>37,368</td>
<td>42,832</td>
</tr>
<tr>
<td>Operating Income (Millions of Yen)</td>
<td>4,822</td>
<td>7,170</td>
<td>8,810</td>
</tr>
<tr>
<td>Sales Ratio by Segment</td>
<td>21.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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).

---

**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.

---

**Main Products**

**ROUNDUP®**

Uses: A systemic herbicide highly effective against grasses, sugar beets, sunflowers, oilseed rape and vegetables

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

**PULSOR®**

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

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

---

**Business Performance**

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.

---

**Main Products**

**SUNEVER®**

SUNEVER is a polymeric 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.

**Operating Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Millions of Yen)</td>
<td>33,767</td>
<td>35,418</td>
<td>39,130</td>
</tr>
<tr>
<td>Operating Income (Millions of Yen)</td>
<td>4,441</td>
<td>5,042</td>
<td>6,229</td>
</tr>
<tr>
<td>Sales Ratio by Segment</td>
<td>19.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business Performance**

In Japan, the sales of ALTAR 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).
### REVIEW OF OPERATIONS: PHARMACEUTICALS

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Millions of Yen)</th>
<th>Operating Income (Millions of Yen)</th>
<th>Sales Ratio by Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10,039</td>
<td>10,7%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>12,674</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>11,559</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*2012*: Former segmentation

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**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.

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**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).

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### REVIEW OF OPERATIONS: TRADING

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Millions of Yen)</th>
<th>Operating Income (Millions of Yen)</th>
<th>Sales Ratio by Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>50,651</td>
<td>1,495</td>
<td>25.2%</td>
</tr>
<tr>
<td>2013</td>
<td>21,446</td>
<td>757</td>
<td>10.7%</td>
</tr>
<tr>
<td>2014</td>
<td>11,550</td>
<td>4,940</td>
<td></td>
</tr>
</tbody>
</table>

---

**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).

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### 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.

---

### REVIEW OF OPERATIONS: OTHER BUSINESSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Millions of Yen)</th>
<th>Operating Income (Millions of Yen)</th>
<th>Sales Ratio by Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>19,960</td>
<td>310</td>
<td>10.7%</td>
</tr>
<tr>
<td>2013</td>
<td>21,250</td>
<td>686</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>21,446</td>
<td>757</td>
<td></td>
</tr>
</tbody>
</table>

---

**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).
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.

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 2 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.

1. Name: Nissan Chemical Product (Shanghai) Co., Ltd
2. Place: Shanghai, China
3. Representative: Kiminori HIRATA, President (Senior Managing Director of Nissan Chemical)
4. Establishment: January 2014
5. Paid capital: One million RMB
6. Ownership ratio: 100% owned by Nissan Chemical Industries, Ltd.
7. Opening: April 2014
We implement various measures for creating a new engine of growth.

Revision to managerial systems
Conventional systems
Conventional decision-making processes including decision-making at the board of directors
Introduction of the Executive Officer System
April 1, 2014
We established an executive officer system from April 1, 2014 to adapt to 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 litters 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.

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 shares of the company
2. Total number of shares repurchased: 3,282,860 shares
3. Total cost of repurchase: 4,999,950,100 yen
5. Method of repurchase: Pursued 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).

(Clinic) 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 overseeing and improving measures for safety, health, and environmental protection, based on the principles of self-discipline 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 stages from development through to manufacture, use and disposal of our products”.

We have established a Responsible Care Committee to manage the activities of the group companies in charge of the activities.

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 transportation, 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 resources 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.

Responsible Care Management System

Responsible department: Environment, Safety and Quality Assurance Department

Implementation of corrective actions
Annual RC results report

Responsible Care Committee
Chair: Director of Environment, Safety and Quality Assurance Department

• Responsible care activities (RC report, Annual RC Plan development)
• Responsible Care Committee: Implementation of Responsible Care Activities

The RC Committee, RC Plan, and responsible department (group companies, plants) carry out RC activities as follows:

Responsible Care Committee
Chair: Director of Environment, Safety and Quality Assurance Department

• Responsible care activities (RC report, Annual RC Plan development)
• Responsible Care Committee: Implementation of Responsible Care Activities

Implementation of corrective actions
Annual RC results report

Responsible Care Committee
Chair: Director of Environment, Safety and Quality Assurance Department

• Responsible care activities (RC report, Annual RC Plan development)
• Responsible Care Committee: Implementation of Responsible Care Activities

Implementation of corrective actions
Annual RC results report

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• Responsible Care Committee: Implementation of Responsible Care Activities

Implementation of corrective actions
Annual RC results report

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Annual RC results report

Responsible Care Committee
Chair: Director of Environment, Safety and Quality Assurance Department

• Responsible care activities (RC report, Annual RC Plan development)
• Responsible Care Committee: Implementation of Responsible Care Activities

Implementation of corrective actions
Annual RC results report

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Implementation of corrective actions
Annual RC results report
**CSR ACTIVITIES**

### 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

**General Shareholders’ Meeting**

- **Accounting Auditor**
- **Board of Directors’ Meeting**
- **Board of Auditors’ Meeting**

**Internal Audit Department**

- **Compliance Committee**
- **Responsible Care Committee**
- **Quality Assurance Committee**
- **GCP Committee**
- **Security Trade Control Committee**

**Management Meeting**

**Audit**

**Board of Directors’ Meeting**

- **Chairman and CEO**
- **Secretary**

**Audit**

**Corporate Governance**

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- **GCP Committee**
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**Management Meeting**

**Audit**

**Board of Directors’ Meeting**

- **Chairman and CEO**
- **Secretary**

**Audit**

**Directory of Nissan Chemical**

**Offices**

- **Head Office**
  - 7-1, Kanda Nihonbashi-cho, Chuo-ku, Tokyo 103-0054
  - Tel: 03-326-8811
- **Sapporo Sales Office**
  - 1-10, Shiraoka, Shiraoka, Chuo-ku, Chiba 274-0052
  - Tel: 047-774-0200
- **Kyoto Sales Office**
  - 3-17, Shinkai, Kita-ku, Osaka 530-8081
  - Tel: 06-4286-7220
- **Rokuboku Sales Office**
  - 1-44, Hidaka Kita-ku, Chiba, Fukuoka 813-0117
  - Tel: 092-433-2671
- **Pipes**
  - Sodegaura Plant
  - 3-11, Kase, Sodegaura-shi, Chiba 299-0266
  - Tel: 0438-63-2341
  - Sodegaura Plant
  - 3-11, Kase, Sodegaura-shi, Chiba 299-0266
  - Tel: 0438-63-2341
- **Plants**
  - Sodegaura Plant
  - 3-11, Kase, Sodegaura-shi, Chiba 299-0266
  - Tel: 0438-63-2341
  - Sodegaura Plant
  - 3-11, Kase, Sodegaura-shi, Chiba 299-0266
  - Tel: 0438-63-2341
- **Internal Audit Department**
  - *GCP*: Good Clinical Practice Standard for pharmaceutical products

**OUR NETWORK**

**Overseas Group**

- Nissan Chemical America Corporation
  - 10770 Richardson Avenue, Suite 100, Houston, Texas, 77087-5245
  - Tel: 011-713-532-7475
- Nissan Chemical Europe S.A.R.L
  - 1470, Shiraoka, Shiraoka, Biwako-ku, Osaka 530-0001
  - Tel: 06-6346-7200
- Nissan Butsuryu Co., Ltd.
  - 1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
  - Tel: 03-3241-2548
- Nissan Green & Landscape Co., Ltd.
  - 3-18-9, Ota-ku, Chiyoda-ku, Tokyo 101-0054
  - Tel: 03-3256-4031
- Nissan Engineering, Ltd.
  - 3-16-9, Utikanda, Chiyoda-ku, Tokyo 101-0047
  - Tel: 03-3241-4231
- Nissan Engineering, Ltd.
  - 3-16-9, Utikanda, Chiyoda-ku, Tokyo 101-0047
  - Tel: 03-3256-4031
- Nissan Engineering, Ltd.
  - 1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
  - Tel: 03-3241-4231
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- Nissan Engineering, Ltd.
  - 3-16-9, Utikanda, Chiyoda-ku, Tokyo 101-0047
  - Tel: 03-3256-4031
- Nis
### Five-Year Summary

#### Consolidated

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>¥ 149,037</td>
<td>¥ 154,209</td>
<td>¥ 148,579</td>
<td>¥ 153,806</td>
<td>¥ 163,658</td>
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<tr>
<td>Operating income</td>
<td>19,151</td>
<td>19,818</td>
<td>15,478</td>
<td>19,548</td>
<td>22,246</td>
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<tr>
<td>Net income</td>
<td>12,751</td>
<td>12,954</td>
<td>10,975</td>
<td>13,879</td>
<td>16,701</td>
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<tr>
<td>Total assets</td>
<td>181,389</td>
<td>183,399</td>
<td>190,114</td>
<td>199,243</td>
<td>207,999</td>
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<td>Equity</td>
<td>106,516</td>
<td>111,312</td>
<td>118,631</td>
<td>125,568</td>
<td>136,952</td>
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<td>Capital expenditure</td>
<td>10,060</td>
<td>9,588</td>
<td>8,251</td>
<td>8,085</td>
<td>8,786</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>10,994</td>
<td>10,440</td>
<td>10,459</td>
<td>9,545</td>
<td>8,515</td>
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#### Amounts per share (in yen):

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<tr>
<td>Net income per share</td>
<td>¥ 74.00</td>
<td>¥ 75.94</td>
<td>¥ 64.52</td>
<td>¥ 83.74</td>
<td>¥ 102.11</td>
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<tr>
<td>Equity per share</td>
<td>618.23</td>
<td>654.33</td>
<td>697.36</td>
<td>766.87</td>
<td>850.91</td>
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#### Financial ratios (%):

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<tbody>
<tr>
<td>Equity ratio</td>
<td>58.7</td>
<td>60.7</td>
<td>62.4</td>
<td>63.0</td>
<td>65.7</td>
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<tr>
<td>Return on equity</td>
<td>12.6</td>
<td>11.9</td>
<td>9.5</td>
<td>11.4</td>
<td>12.7</td>
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</table>

#### Non-Consolidated

<table>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>¥ 110,993</td>
<td>¥ 115,643</td>
<td>¥ 110,623</td>
<td>¥ 114,442</td>
<td>¥ 121,323</td>
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<tr>
<td>Operating income</td>
<td>15,912</td>
<td>16,735</td>
<td>12,544</td>
<td>16,369</td>
<td>18,489</td>
</tr>
<tr>
<td>Net income</td>
<td>10,435</td>
<td>12,344</td>
<td>9,981</td>
<td>11,756</td>
<td>14,995</td>
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<tr>
<td>Total assets</td>
<td>160,288</td>
<td>163,906</td>
<td>169,081</td>
<td>175,032</td>
<td>180,971</td>
</tr>
<tr>
<td>Equity</td>
<td>93,835</td>
<td>98,536</td>
<td>105,002</td>
<td>109,156</td>
<td>117,117</td>
</tr>
</tbody>
</table>

#### Amounts per share (in yen):

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net income per share</td>
<td>¥ 60.56</td>
<td>¥ 72.37</td>
<td>¥ 58.67</td>
<td>¥ 70.92</td>
<td>¥ 91.68</td>
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<tr>
<td>Equity per share</td>
<td>544.63</td>
<td>578.23</td>
<td>617.24</td>
<td>666.63</td>
<td>728.81</td>
</tr>
<tr>
<td>Cash dividends per share</td>
<td>24.0</td>
<td>24.0</td>
<td>24.0</td>
<td>26.0</td>
<td>30.0</td>
</tr>
</tbody>
</table>

#### Financial ratios (%):

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio</td>
<td>58.5</td>
<td>60.1</td>
<td>62.1</td>
<td>62.4</td>
<td>64.7</td>
</tr>
<tr>
<td>Year-end statistics:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>13,801</td>
<td>16,596</td>
<td>16,403</td>
<td>14,434</td>
<td>12,689</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,710</td>
<td>1,750</td>
<td>1,726</td>
<td>1,712</td>
<td>1,707</td>
</tr>
</tbody>
</table>
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.

FINANCIAL REVIEW
Financial Review for the Year Ended March 31, 2014

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## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Short-term bank loans</td>
<td>¥ 23,579</td>
<td>$ 229,102</td>
<td></td>
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<tr>
<td>(Note 13)</td>
<td>¥ 24,012</td>
<td>$ 229,102</td>
<td></td>
</tr>
<tr>
<td>Current portion of</td>
<td></td>
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<tr>
<td>long-term debt (Note</td>
<td>7,066</td>
<td>68,654</td>
<td></td>
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<tr>
<td>13)</td>
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<tr>
<td>Notes and accounts</td>
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<tr>
<td>payable</td>
<td>10,067</td>
<td>106,115</td>
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<td>Accrued income taxes</td>
<td>3,012</td>
<td>34,125</td>
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<tr>
<td>Accrued expenses and</td>
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<td></td>
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<tr>
<td>current liabilities</td>
<td>9,427</td>
<td>91,603</td>
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<tr>
<td>Total current</td>
<td>59,652</td>
<td>579,600</td>
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<tr>
<td>liabilities</td>
<td>60,312</td>
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<td>Long-term liabilities:</td>
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<tr>
<td>Long-term debt (Note</td>
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<td>52,954</td>
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<tr>
<td>12)</td>
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<tr>
<td>Deferred taxes -</td>
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<tr>
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<td>27,821</td>
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<td>retirement benefit</td>
<td>244</td>
<td>2,376</td>
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<td>(Note 14)</td>
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<td>(Provision for</td>
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<tr>
<td>retirement benefit</td>
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<td>27,821</td>
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<tr>
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<td>1,966</td>
<td>19,105</td>
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<tr>
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<td>capital</td>
<td>13,611</td>
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<td>at cost 522,032 shares</td>
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<td>(6,791)</td>
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</tr>
<tr>
<td>in 2014 and 1,258,186 in 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>translation adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation gain of</td>
<td>6,138</td>
<td>59,645</td>
<td></td>
</tr>
<tr>
<td>investment securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>after tax-effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments on</td>
<td>20</td>
<td>197</td>
<td></td>
</tr>
<tr>
<td>foreign currency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>statement translation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated adjustments for retirement benefit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,269</td>
<td>12,337</td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>137,822</td>
<td>1,339,122</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and</td>
<td>¥ 207,999</td>
<td>¥ 2,020,979</td>
<td></td>
</tr>
<tr>
<td>net assets</td>
<td>¥ 199,243</td>
<td>$ 2,020,979</td>
<td></td>
</tr>
</tbody>
</table>

### Current liabilities:
- Short-term bank loans (Note 13)  ¥ 23,579
- Current portion of long-term debt (Note 13) 7,066
- Notes and accounts payable 10,067
- Accrued income taxes 3,012
- Accrued expenses and other current liabilities 9,427

### Long-term liabilities:
- Long-term debt (Note 12) 5,450
- Deferred taxes - non-current 2,863
- Liability for retirement benefit (Note 14) 244
- Other long-term liabilities 1,966

### Net assets:
- Shareholders’ equity 18,942
- 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
- Retained earnings 98,121
- Less: Treasury stock, at cost 522,032 shares in 2014 and 1,258,186 in 2013

### Valuation and translation adjustments:
- Valuation gain of investment securities after tax-effect 6,138
- Adjustments on foreign currency statement translation 20
- Accumulated adjustments for retirement benefit 417
- Minority interests 1,269
- Total net assets 137,822

### Total liabilities and net assets:
- Total liabilities and net assets 207,999

### Notes:
1. Short-term bank loans
2. Long-term debt
3. Notes and accounts payable
4. Accrued income taxes
5. Accrued expenses and other current liabilities
6. Deferred taxes - non-current
7. Liability for retirement benefit (Note 14)
8. Other long-term liabilities
9. Shareholders’ equity
10. Authorized - 360,000,000 shares in 2014 and 2013
11. Issued - 161,000,000 shares in 2014 and 165,000,000 in 2013
12. Additional paid-in capital
13. Retained earnings
14. Less: Treasury stock, at cost
15. Valuation gain of investment securities after tax-effect
16. Adjustments on foreign currency statement translation
17. Accumulated adjustments for retirement benefit
18. Minority interests
19. Total net assets
20. Total liabilities and net assets

### Balance Sheet:
- Current assets:
  - Cash and time deposits ¥ 30,757
  - Notes and accounts receivable:
    - Trade 54,041
    - Less allowance for doubtful receivables (22)
    - Finished products and merchandise 26,775
    - Work in process 51
    - Raw materials and supplies 6,353
    - Deferred taxes-current 2,882
    - Other current assets 4,574
  - Total current assets 125,413

- Investments and advances:
  - Investment in securities (Note 12) 23,236
  - Investments in and advances to non-consolidated subsidiaries and affiliates 10,333
  - Long-term loans 26
  - Other investments 989
  - Total investments and advances 34,344

- Property, plant and equipment, at cost:
  - Land 9,374
  - Buildings and structures 53,393
  - Machinery and equipment 138,915
  - Less accumulated depreciation (160,737)
  - Total property, plant and equipment 44,975

- Other assets:
  - Deferred taxes-non-current 55
  - Assets for retirement benefit (Note 14) 1,251
  - Intangible assets 692
  - Total other assets 3,264
  - Total assets ¥ 207,999

- Liabilities and net assets:
  - Current liabilities:
    - Short-term bank loans (Note 13) ¥ 23,579
    - Current portion of long-term debt (Note 13) 7,066
    - Notes and accounts payable 10,067
    - Accrued income taxes 3,012
    - Accrued expenses and other current liabilities 9,427
    - Total current liabilities 59,652
  - Long-term liabilities:
    - Long-term debt (Note 12) 5,450
    - Deferred taxes - non-current 2,863
    - Liability for retirement benefit (Note 14) 244
    - Other long-term liabilities 1,966
    - Total long-term liabilities 10,524
  - Net assets:
    - Shareholders’ equity 18,942
    - 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
    - Retained earnings 98,121
    - Less: Treasury stock, at cost 522,032 shares in 2014 and 1,258,186 in 2013
    - Valuation and translation adjustments:
      - Valuation gain of investment securities after tax-effect 6,138
      - Adjustments on foreign currency statement translation 20
      - Accumulated adjustments for retirement benefit 417
      - Minority interests 1,269
      - Total net assets 137,822
    - Total liabilities and net assets 207,999

### Additional Information:
- Current liabilities include:
  - Short-term bank loans
  - Notes and accounts payable
  - Accrued expenses and other current liabilities
- Long-term liabilities include:
  - Long-term debt
  - Deferred taxes - non-current
  - Liability for retirement benefit (Note 14)
  - Other long-term liabilities
- Net assets consist of:
  - Shareholders’ equity
  - 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
  - Retained earnings
  - Less: Treasury stock, at cost
  - Valuation and translation adjustments:
    - Valuation gain of investment securities after tax-effect
    - Adjustments on foreign currency statement translation
    - Accumulated adjustments for retirement benefit
    - Minority interests
  - Total net assets
  - Total liabilities and net assets
### Consolidated Statements of Income

#### Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries

<table>
<thead>
<tr>
<th>Years ended March 31, 2013 and 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSOLIDATED STATEMENTS OF INCOME</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (Note 16)</td>
<td>¥ 163,658</td>
<td>¥ 153,806</td>
<td>¥ 1,090,150</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>¥ 103,277</td>
<td>¥ 98,639</td>
<td>¥ 1,003,470</td>
</tr>
<tr>
<td>Gross profit</td>
<td>¥ 60,381</td>
<td>¥ 55,166</td>
<td>¥ 86,680</td>
</tr>
<tr>
<td>Selling, general and admin expenses</td>
<td>¥ 38,134</td>
<td>¥ 35,678</td>
<td>¥ 370,033</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥ 22,246</td>
<td>¥ 19,548</td>
<td>¥ 216,157</td>
</tr>
<tr>
<td>Other income</td>
<td>¥ 660</td>
<td>¥ 600</td>
<td>¥ 6,416</td>
</tr>
<tr>
<td>Equity in earnings of non-consolidated subsidiaries and affiliates</td>
<td>¥ 980</td>
<td>¥ 967</td>
<td>¥ 9,332</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>¥ 415</td>
<td>¥ 295</td>
<td>¥ 4,033</td>
</tr>
<tr>
<td>Other, net</td>
<td>¥ 968</td>
<td>¥ 1,011</td>
<td>¥ 9,419</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥ 2,004</td>
<td>¥ 2,063</td>
<td>¥ 20,186</td>
</tr>
</tbody>
</table>

| Other expense             | ¥ 303 | ¥ 241 | ¥ 2,727 |
| Loss on disposal of property, plant and equipment | ¥ 284 | ¥ 281 | ¥ 2,766 |
| Other, net                | ¥ 962 | ¥ 957 | ¥ 9,353 |
| **Total**                 | ¥ 2,577 | ¥ 2,659 | ¥ 14,846 |

| Income before income taxes | ¥ 23,723 | ¥ 20,492 | ¥ 230,507 |

#### Income taxes:

| Current                | ¥ 6,901 | ¥ 6,374 | ¥ 67,056 |
| Deferred               | (64) | (99) | (628) |
| **Total**              | ¥ 6,837 | ¥ 6,275 | ¥ 66,428 |

#### Minority interests in consolidated subsidiaries

| 186 | 137 | 1,607 |

| **Net income** | ¥ 16,701 | ¥ 13,879 | ¥ 162,273 |

#### Balance at March 31, 2014

| ¥ 16,887 | ¥ 14,017 | ¥ 164,080 |

#### Other comprehensive income (loss):

| ¥ 2,998 | ¥ 1,517 | ¥ 25,246 |
| ¥ 924 | ¥ 593 | ¥ 8,982 |
| ¥ 1 | 2 | (13) |
| **Total other comprehensive income (loss)** | ¥ 3,521 | ¥ 2,114 | ¥ 34,213 |

| **Comprehensive income** | ¥ 20,408 | ¥ 16,131 | ¥ 196,296 |

The accompanying notes are an integral part of these statements.
<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>23,723</td>
<td>$230,507</td>
</tr>
<tr>
<td>2013</td>
<td>20,492</td>
<td></td>
</tr>
</tbody>
</table>

**Cash flows from operating activities:**

- Income before income taxes: ¥23,723
- Depreciation: 8,515
- Interest and dividend income: (660)
- Interest expense: 280
- Loss (gain) on disposal of property, plant and equipment: 284
- Decrease (increase) in notes and accounts receivable: 3,019
- Decrease (increase) in inventories: (2,281)
- Increase (decrease) in notes and accounts payable: (1,529)
- Other, net: (1,945)

**Total:** 29,454

- Interest and dividends received: 1,620
- Interest paid: (287)
- Income taxes paid: (7,027)

**Net cash provided by operating activities:** 23,798

**Cash flows from investing activities:**

- Payments for purchase of investments in securities: (918)
- Proceeds from sale of investments in securities: 245
- Payments for purchase of shares of subsidiaries: (2,749)
- Payments for purchase of property, plant and equipment: (8,999)
- Proceeds from sale of property, plant and equipment: 175
- Repayments of loans: (400)
- Other, net: (476)

**Net cash used in investing activities:** (13,471)

**Cash flows from financing activities:**

- Increase (decrease) in short-term bank loans: (588)
- Increase (decrease) in long-term debt: 4,000
- Repayments of long-term debt: (5,533)
- Cash dividends paid: (4,584)
- Cash dividends paid to minority subsidiaries: (48)
- Repurchase of treasury stocks: (5,001)
- Other, net: (48)

**Net cash used in financing activities:** (11,802)

**Effect of exchange rate changes on cash:** 393

**Net increase (decrease) in cash and cash equivalents:** (1,120)

**Cash and cash equivalents at beginning of year:** 31,878

**Cash and cash equivalents at end of year:** ¥30,757

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### CONSOLIDATED STATEMENTS OF CASH FLOWS

**Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries**

**Years ended March 31, 2014 and 2013**

### 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 recategorization and reorganizations 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.

.push { display: inline; margin: 0; text-align: left; padding: 0; line-height: 1; white-space: nowrap; max-width: 400px; overflow: hidden; text-overflow: ellipsis; border-radius: 2px; background-color: white; color: black; font-weight: bold; }
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 financial obligations, to meet its financial obligations, such as in the case of bankruptcy filing or deterioration in a customer’s operating

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.

1. 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

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 $24 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

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

<table>
<thead>
<tr>
<th>Million of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Investments in securities</td>
<td>¥146</td>
</tr>
</tbody>
</table>

(2) Collateral Liabilities

<table>
<thead>
<tr>
<th>Million of Yen</th>
<th>U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Liabilities</td>
<td>¥294</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Location</th>
<th>Use</th>
<th>Type of assets</th>
<th>Billions of Yen</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas, United States of America</td>
<td>Manufacturing facility</td>
<td>Buildings and structures</td>
<td>¥ 1,676</td>
<td>¥ 1,574</td>
<td>¥ 2,941</td>
<td></td>
</tr>
</tbody>
</table>

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 itself, 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:

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥ 1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>2013</td>
<td>¥ 1,265</td>
<td>$1,265</td>
</tr>
</tbody>
</table>

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 ¥2,967 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:

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥ 18,765</td>
<td>$18,655</td>
</tr>
<tr>
<td>2013</td>
<td>¥ 17,968</td>
<td>$17,703</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥ 12,516</td>
<td>$12,168</td>
</tr>
<tr>
<td>2013</td>
<td>¥ 14,050</td>
<td>$13,437</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥ 12,516</td>
<td>$12,168</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Millions of Yen</th>
<th>Thousands of U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥ 6,540</td>
<td>$6,296</td>
</tr>
<tr>
<td>2013</td>
<td>¥ 6,044</td>
<td>$5,716</td>
</tr>
</tbody>
</table>
(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 (metalline, 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.)
    - Inorganic Materials (hard coating materials, electronic information materials, polishing materials, etc.)
  - Agrochemicals
    - Agrichemicals (herbicide, insecticide, fungicide, fungicide and insecticide, plant growth regulator)
    - Animal health products
  - Pharmaceuticals
    - Unlisted (anti-hypercholesterol), 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. Intergroup 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.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total Sales</th>
<th>Intersegment</th>
<th>Customers</th>
<th>Segment income(loss)</th>
<th>Sum of segment assets</th>
<th>Amortization of goodwill</th>
<th>Amortization of intangible assets</th>
<th>Other items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ 1,590,151</td>
<td>¥ 250,462</td>
<td>¥ 1,339,689</td>
<td>¥ 1,590,151</td>
<td>¥ 1,590,151</td>
<td>¥ 1,590,151</td>
<td>¥ 1,590,151</td>
<td>¥ 1,590,151</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥ 235,461</td>
<td>¥ 235,461</td>
<td>¥ 0</td>
</tr>
<tr>
<td>Other</td>
<td>¥ 11,473</td>
<td>¥ 11,473</td>
<td>¥ 0</td>
</tr>
<tr>
<td>Total</td>
<td>¥ 246,934</td>
<td>¥ 246,934</td>
<td>¥ 0</td>
</tr>
</tbody>
</table>

Notes: The adjustments are as follows:

1) The negative ¥1,883 million adjustment in segment income includes ¥358 million in intersegment eliminations and negative ¥1,459 million in 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 negative ¥55,778 million in corporate assets not attributable to any reportable segment.

3) The ¥57 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.
INDEPENDENT AUDITORS’ 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 misstatement, 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.

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.

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

Based on calendar year

1887 Founded as Tokyo Jinzo Hiyo, later changed to Dainippon Jinzo Hiyo
1937 Changes corporate name to Nissan Chemical Industries, Ltd.
1951 Introduces SNOVITEX 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 TARIGA, a grass herbicide for export use
Introduces SUNEFER, 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 SIRJUS, a rice paddy herbicide
1991 Establishes Nissan Chemical Europe GmbH
Introduces SANNITC, 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 Commodities producing organizational at Nissan Chemical Houston Corporation
1998 Introduces “BARC”, anti-reflective coating for semiconductors by license from Brewer Science, Inc.
1999 Introduces DAP, an intermediate for a superfiber
2000 Introduces MITS-CHIME, 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-hypertensive agent
Opens representative office in Shanghai
2005 Establishes Nissan Chemical Agro Korea
2007 Opens new Electronic Materials Research Laboratories
2008 Introduces LEHMAY, a fungicide
2009 Introduces STARBITTE, 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.

Yaesu Audit Company
Tokyo, Japan
June 26, 2014

Yaesu Audit Company
CORPORATE PROFILE
(As of March 31, 2014)

Nissan Chemical Industries, Ltd.

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

Founded
1887

Number of Shareholders
12,689

Number of Employees
2,281

Stock Listing
Tokyo Stock Exchange

Transfer Agent
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)

Representative Director, President & CEO
Kojiro Kinoshita

Director, Senior Executive Vice President
Jun-ichi Miyazaki

Director, Senior Managing Executive Officer
Kimimori Hirata

Director, Senior Managing Executive Officer
Hiroyoshi Fukuro

Director, Managing Executive Officer
Tsuneo Higuchi

Director, Managing Executive Officer
Kazuhito Yagisawa

Outside Director
Taisei Kajiyama

Corporate Auditors
Katsumi Akita
Samin Kondo
Kikutaka Takatsuki

Noriyuki Kudo

Executive Officers
Mitsuki Sakashita
Katsuki Miyaji
Satoru Hamasato
Nobutomo Tsunoe
Jun-ichi Watanabe
Hidemori Takahata
Takeshi Ishida
Shunsuke Dobashi
Hiroshi Ohtsuka
Hitoshi Suzuki
Masataka Hataoka
Yuzuru Nakasa
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)

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares held (thousands)</th>
<th>Percentage of total shares in issue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Master Trust Bank, Ltd. (Trust Account)</td>
<td>13,071</td>
<td>8.6</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>9,072</td>
<td>5.6</td>
</tr>
<tr>
<td>Mitsui Trust &amp; Banking Co., Ltd. (Employee Retirement Benefit Trust of Mitsui Bank)</td>
<td>8,180</td>
<td>5.1</td>
</tr>
<tr>
<td>The Nippon Bank</td>
<td>4,800</td>
<td>3.0</td>
</tr>
<tr>
<td>Shareholding association of business partners of Nissan Chemical</td>
<td>4,095</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Breakdown of Shareholders by Type

- Financial institutions: 41.1%
- Others Japanese: 23.3%
- Non-Japanese individuals: 13.9%
- Securities firms: 5.5%
- Treasury stock: 0.3%
- Private individuals and other groups: 13.8%

Breakdown by Number of Shares Held

- More than 500,000 shares: 71.6%
- Less than 100,000 shares: 14.8%
- Less than 10,000 shares: 5.9%
- Less than 1,000 shares: 0.8%
- Less than 10,000 shares: 3.2%
- Less than 500,000 shares: 0.7%
- Treasury stock: 0.3%
- Private individuals and other groups: 13.8%

Stock Quote and Chart (April 2012-March 2014)
For the year ended March 31, 2014

NISSAN CHEMICAL INDUSTRIES, LTD.
ANNUAL REPORT
For the year ended March 31, 2014