

Consolidated Statements of Changes in Net Assets

For FY2015

	(Millions of Yen)				
	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥ 18,942	¥ 13,611	¥ 105,602	¥ (584)	¥ 137,572
Changes of items during period					
Dividends of surplus			(6,269)		(6,269)
Net income attributable to owners of parent			22,350		22,350
Change in scope of consolidation			(500)		(500)
Share repurchase				(9,001)	(9,001)
Disposal of treasury shares			0	0	0
Cancellation of treasury shares			(0)	(5,304)	5,304
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	10,276	(3,696)	6,579
Balance at end of current period	¥ 18,942	¥ 13,611	¥ 115,878	¥ (4,281)	¥ 144,151

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Balance at beginning of current period	¥ 10,676	¥ 894	¥ 639	¥ 12,210	¥ 1,481
Changes of items during period						
Dividends of surplus						(6,269)
Net income attributable to owners of parent						22,350
Change in scope of consolidation						(500)
Share repurchase						(9,001)
Disposal of treasury shares						0
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(161)	(722)	(84)	(969)	50	(918)
Total changes of items during period	(161)	(722)	(84)	(969)	50	5,660
Balance at end of current period	¥ 10,515	¥ 171	¥ 554	¥ 11,241	¥ 1,531	¥ 156,924

For FY2016

	(Thousands of U.S. dollars)				
	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	\$ 168,824	\$ 121,310	\$ 1,032,781	\$ (38,155)	\$ 1,284,768
Changes of items during period					—
Dividends of surplus			(68,449)		(68,449)
Net income attributable to owners of parent			214,135		214,135
Change in scope of consolidation			(1,399)		(1,399)
Share repurchase				(80,232)	(80,232)
Disposal of treasury shares		0		0	0
Cancellation of treasury shares		(0)	(50,758)	50,758	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	93,512	(29,456)	64,046
Balance at end of current period	\$ 168,824	\$ 121,310	\$ 1,126,292	\$ (67,620)	\$ 1,348,815

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Balance at beginning of current period	\$ 93,717	\$ 1,524	\$ 4,938	\$ 100,187	\$ 13,645
Changes of items during period						
Dividends of surplus						(68,449)
Net income attributable to owners of parent						214,135
Change in scope of consolidation						(1,399)
Share repurchase						(80,232)
Disposal of treasury shares						0
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(3,877)	642	(1,551)	(4,786)	1,194	(3,592)
Total changes of items during period	(3,877)	642	(1,551)	(4,786)	1,194	60,446
Balance at end of current period	\$ 89,831	\$ 2,166	\$ 3,387	\$ 95,392	\$ 14,848	\$ 1,459,064

Consolidated Statements of Cash Flows

For FY2016 and FY2015

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Cash flows from operating activities			
Income before income taxes and non-controlling interests	¥ 31,713	¥ 28,360	\$ 282,647
Depreciation	8,889	9,684	79,225
Impairment loss	220	3,941	1,961
Interest and dividend income	(746)	(597)	(6,649)
Interest expenses	156	194	1,390
Increase (decrease) in provision for business structure improvement	(86)	(23)	(766)
Increase (decrease) in provision for loss on business of subsidiaries and affiliates	—	309	—
Loss (gain) on sales of investment securities	—	(3,081)	—
Loss (gain) on disposal of non-current assets	601	319	5,357
Decrease (increase) in notes and accounts receivable-trade	(2,573)	143	(22,932)
Decrease (increase) in inventories	2,054	(2,716)	18,307
Increase (decrease) in notes and accounts payable-trade	(334)	352	(2,977)
Other	(474)	(514)	(4,225)
Subtotal	39,419	36,372	351,328
Interest and dividend income received	2,175	1,177	19,385
Interest expenses paid	(156)	(194)	(1,390)
Income taxes paid	(8,947)	(7,366)	(79,742)
Net cash provided by (used in) operating activities	32,491	29,989	289,581
Cash flows from investing activities			
Purchase of investment securities	(787)	(331)	(7,014)
Proceeds from sales of investment securities	2,988	2,206	26,631
Purchase of property, plant and equipment	(12,394)	(9,071)	(110,463)
Payments for retirement of property, plant and equipment	(477)	(262)	(4,251)
Purchase of intangible assets	(1,091)	(383)	(9,724)
Net decrease (increase) in short-term loans receivable	(12)	(216)	(107)
Purchase of long-term prepaid expenses	(834)	(844)	(7,433)
Other	(542)	485	(4,831)
Net cash provided by (used in) investing activities	(13,152)	(8,416)	(117,219)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	220	54	1,961
Proceeds from long-term loans payable	550	1,100	4,902
Repayments of long-term loans payable	(3,060)	(3,090)	(27,273)
Cash dividends paid	(7,680)	(6,269)	(68,449)
Dividends paid to non-controlling interests	(52)	(70)	(463)
Share repurchase	(9,002)	(9,001)	(80,232)
Other	(17)	(40)	(152)
Net cash provided by (used in) financing activities	(19,042)	(17,317)	(169,715)
Effect of exchange rate change on cash and cash equivalents	94	(324)	838
Net increase (decrease) in cash and cash equivalents	390	3,931	3,476
Cash and cash equivalents at beginning of period	35,335	31,343	314,929
Increase in cash and cash equivalents from newly consolidated subsidiary	—	61	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(25)	—	(223)
Cash and cash equivalents at end of period	¥ 35,701	¥ 35,335	\$ 318,191

Notes to Consolidated Financial Statements

1. Basis for 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, the related accounting regulations, and the accounting principles generally accepted in Japan (“J-GAAP”), which differ in certain aspects from the application and disclosure requirements of the accounting principles generally accepted in the United States of America (“US-GAAP”) and International Financial Reporting Standards (“IFRS”).

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

2. Summary of Significant Accounting Policies

a. Consolidation

The consolidated financial statements as of March 31, 2017 include the account of Nissan Chemical Industries, Ltd. (the “Company”) and its eight main (ten in FY2015) subsidiaries (together, the “Companies”). 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, either directly or indirectly, is able to exercise control over operations are fully consolidated. Those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in two affiliated companies (two in FY2015) are accounted for by the equity method.

The assets and liabilities of the newly consolidated subsidiaries are stated at fair value as of the respective dates on which they were acquired.

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.

b. 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. Instead, they 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 is incapable of exercising significant influence are stated at cost and reviewed periodically for impairment.

c. Inventories

Inventories are stated at the lower of cost or net realizable value. The cost is determined by the average method.

d. Property, Plant and Equipment (excluding Leased Assets)

Property, plant and equipment are stated at cost. In general, the depreciation of property, plant and equipment is computed by the declining-balance method over the estimated useful lives of these assets.

The estimated useful life ranges are two years to fifty years for buildings and structures, and two years to twelve years for machinery and equipment.

e. Goodwill and other Intangible Assets

Goodwill is amortized by the straight-line method within 20 years. Other intangible assets are also amortized the using straight-line method. The most typical intangible asset is Software, and its useful life is five years.

f. 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.

g. Allowance for Doubtful Accounts

The allowance for doubtful accounts is the Company’s best estimate for 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, such as when a customer files for bankruptcy or when the its operating results or financial position deteriorates.

If the customer’s circumstances change, estimates of the recoverability of receivables are further adjusted.

h. Provision for Bonuses

The Company provides accrued bonuses for employees based on the estimated amounts to be paid for the fiscal year.

i. Provision for Director’s Bonuses

The Company provides accrued bonuses for members of the Board of Directors based on the estimated amounts to be paid for the fiscal year.

j. Provision for Business Structure Improvement

The Company provides a reserve at the estimated amount to cover the expenses and losses to be incurred in association with structural improvement.

k. Provision for Loss on Business of Subsidiaries and Affiliates

The Company provides a reserve at the estimated amount to cover the losses on business of subsidiaries and affiliates in consideration of their financial position.

I. Provision for Retirement Benefits

The Company has a defined benefit plan and a retirement plan that substantially covers all of its employees.

The method for calculating the estimated amount of all retirement benefits to be paid at future retirement dates is based on the benefit formula.

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 the period which the gains and losses occurred.

Certain consolidated subsidiaries use a simplified method for calculating retirement benefits.

In this method, the retirement benefit obligation is the same amount as the necessary payment related to retirement benefits.

m. Translation of Foreign Currency

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

n. 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 all changes in unrealized gains and losses charged to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gains or losses, net of the applicable income taxes, are reported as components 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.

o. Cash and Cash Equivalent

The Companies consider cash equivalents, include all highly fluid investments, to have been purchased with original maturities of three months or less.

3. U.S. dollar Amounts

The accompanying consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2017 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥112.20 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2017. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.

4. Change in Accounting Policy

Effective from the beginning of the current consolidated fiscal year, the Company adopted the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Practical Issue Task Force (PITF) No.32, issued on June 17, 2016) in accordance with the revision of the Corporation Tax Law of Japan.

Accordingly, the Company changed the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method.

The impact of this change on operating income, ordinary income, and income before income taxes and non-controlling interests for the current consolidated fiscal year was immaterial.

5. Reclassifications

Effective from the beginning of the current consolidated fiscal year, "Gain on sales of non-current assets", which were displayed separately in "Non-operating income" in the previous fiscal year, are now included in "Other" since the amount was lower than 10% of "Non-operating income".

In order to reflect the change, the Company has reclassified the consolidated financial statement for the previous fiscal year.

As a result, 274 million yen of "Gain on sales of non-current assets" and 748 million yen of "Other", which were shown in "Non-operating income" in the previous consolidated statements of income, are reclassified as 1,022 million yen of "Other".

Effective from the beginning of the current consolidated fiscal year, "Purchase of intangible assets" and "Purchase of long-term prepaid expenses", which were included in "Other" of "Cash flows from investing activities" in the previous fiscal year, are displayed separately to improve the level of clarity.

In order to reflect the change, the Company has reclassified the consolidated financial statement for the previous fiscal year.

As a result, (742) million yen of "Other" in the previous consolidated statements of cash flows are reclassified as (383) million yen of "Purchase of intangible assets", (844) million yen of "Purchase of long-term prepaid expenses" and 485 million yen of "Other".

6. Collateral Assets and Liabilities

Collateral assets and liabilities as of FY2016 and FY2015 were as follows:

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Investment securities	¥ 97	¥ 180	\$ 865
Accounts payable	¥ 253	¥ 270	\$ 2,255
Accrued expenses	¥ 0	¥ —	\$ 0

7. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for FY2016 and FY2015 were as follows:

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
	¥ 16,078	¥ 15,778	\$ 143,298

8. Impairment Losses

The Company recognized impairment losses on the following asset group for FY2015.

(Millions of Yen)			
Location	Use	Type	Amount
Germany	Three-dimensional packaging material market	Goodwill and Patent	¥ 3,941

In general, the Companies define division as the basis of grouping. In the case of consolidated subsidiaries, the Company is also defined as the basis of grouping in terms of its scale. In regards to intangible assets, we deem each asset to be one group. The book value of goodwill and patent of Thin Materials GmbH (consolidate subsidiary for FY2015) is reduced to a recoverable amount, and is recognized as an impairment loss on an extraordinary loss. The Companies measure the recoverable amount of this asset group by value in use. It is calculated by discounting the future cash flow at 11%.

9. Comprehensive Income

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Valuation difference on available-for-sale securities:			
Gains (losses) arising during the year	¥ (582)	¥ 2,426	\$ (5,187)
Reclassification adjustment	(47)	(3,048)	(419)
Amount before tax effect	(629)	(621)	(5,606)
Tax effect	192	461	1,711
Valuation difference on available-for-sale securities, net of tax	(436)	(159)	(3,886)

Foreign currency translation adjustment

Gains (losses) arising during the year	188	(758)	1,676
Reclassification adjustment	—	—	—
Amount before tax effect	188	(758)	1,676
Tax effect	—	(42)	—
Foreign currency translation adjustment, net of tax	188	(800)	1,676

Remeasurements of defined benefit plans:

Gains (losses) arising during the year	(144)	2	(1,283)
Reclassification adjustment	(107)	(148)	(954)
Amount before tax effect	(252)	(146)	(2,246)
Tax effect	77	61	686
Remeasurements of defined benefit plans, net of tax	(174)	(84)	(1,551)

Share of other comprehensive income of affiliates accounted for using equity methods

Gains (losses) arising during the year	1	(1)	9
Total other comprehensive income	¥ (420)	¥ (1,047)	\$ (3,743)

10. Common Shares

(1) Dividends

Cash dividends charged to retained earnings for the years ended March 31, 2017 and 2016 represent the dividends paid out during those years. The accompanying consolidated financial statements do not include any provisions for a dividend approved by the Annual Shareholders Meeting of 28 yen per share with an aggregate 4,249 million yen for the year ended March 31, 2017.

(2) Retained Earnings

Retained earnings on a consolidated basis consist 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 states that while neither legal capital surplus nor legal retained earnings are available for dividends, both may be used to reduce or eliminate a deficit by a resolution of the shareholders' meeting, or may be transferred to stated capital common stock by a 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 a certain special reserve for the purpose of obtaining tax benefits in accordance with the Special Taxation Law of Japan.

11. Investment Securities

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Equity securities	¥ 24,031	¥ 24,559	\$ 214,180
Unlisted securities of affiliates	6,636	7,244	59,144
Unlisted securities	1,797	1,447	16,016
	¥ 32,465	¥ 33,251	\$ 289,349

12. Short-term Debt and Long-term Debt

Short-term debt consisting of an unsecured bank overdraft as of March 31, 2017 was 23,155 million yen.

The weighted average interest rate on short-term debt outstanding as of March 31, 2017 was 0.5%.

The weighted average interest rate on long-term debt outstanding as of March 31, 2017 was 0.85%.

The weighted average interest rate on the current portion of long-term debt outstanding as of March 31, 2017 was 0.92%.

Long-term debt as of FY2016 and FY2015 were as follows:

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Long-term debt	¥ 7,650	¥ 10,160	\$ 68,182
Less current portion	(3,070)	(3,060)	(27,362)
	¥ 4,580	¥ 7,100	\$ 40,820

Long-term debt payments due after FY2016 were as follows:

Year ending March 31	(Millions of Yen)	(Thousands of U.S. dollars)
FY2017	¥ 2,470	\$ 22,014
FY2018	1,670	14,884
FY2019	330	2,941
FY2020 and thereafter	110	980
	¥ 4,580	\$ 40,820

13. Retirement Benefits

(1) The liability for retirement benefits as of FY2016 and FY2015 were as follows:

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Retirement benefit obligation	¥ 12,031	¥ 11,998	\$ 107,228
Plan asset	(14,018)	(14,055)	(124,938)
	(1,987)	(2,056)	(17,709)
Unfunded retirement benefit obligation	101	72	900
Net retirement benefit obligation	(1,885)	(1,983)	(16,800)
Net defined benefit liability	101	102	900
Net defined benefit asset	(1,987)	(2,086)	(17,709)
Net retirement benefit obligation	¥ (1,885)	¥ (1,983)	\$ (16,800)

(2) Actuarial assumptions

The principal actuarial assumptions as of FY2016 and FY2015 were as follows:

	FY2016	FY2015
Discount rate	0.8%	0.8%
Long-term expected rate of return	2.0%	2.0%
Expected rate of salary increase (forecast)	3.6 to 9.0%	3.6 to 9.0%

(Note) Expected rate of salary increase is calculated based on our point system.

14. Income Taxes

The Company is subject to a number of taxes based on income. The statutory income tax rates were approximately 30.86% for the year ended March 31, 2017 and 33.06% for the year ended March 31, 2016.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of FY2016 and FY2015 were as follows:

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2016	FY2015	FY2016
Deferred tax assets:			
The tax effect of investment on subsidiary to be liquidated	¥ 1,124	¥ 1,124	\$ 10,018
Inventory	746	754	6,649
Provision for bonus	589	575	5,250
Unrealized profit of non-current assets	458	394	4,082
Loss on valuation of securities	400	356	3,565
Other	2,337	2,554	20,829
Gross deferred tax assets	5,656	5,759	50,410
Less: Valuation allowance	(49)	(41)	(437)
Total deferred tax assets	5,606	5,717	49,964
Deferred tax liabilities:			
Unrealized gain on securities	(4,477)	(4,751)	(39,902)
Net defined benefit asset	(596)	(631)	(5,312)
Reserve for advanced depreciation of non-current assets	(276)	(285)	(2,460)
Other	(72)	(76)	(642)
Total deferred tax liabilities	(5,422)	(5,745)	(48,324)
Net deferred tax assets	¥ 184	¥ (27)	\$ 1,640

The differences between the statutory tax rate and the effective tax rate for the years ended FY2016 and FY2015 were as follows:

	FY2016	FY2015
Statutory tax rate	30.86%	33.06%
(Reconciliation)		
Elimination of intercompany dividend income	2.69%	2.45%
Entertainment and other permanently non-deductible expense	0.46	0.59
Difference of tax rate for foreign consolidated subsidiaries	(0.65)	(0.60)
Equity in earnings of affiliates	(0.68)	(1.00)
Dividend and other items excluded permanently from taxable income	(2.80)	(2.55)
Tax credit	(6.20)	(7.74)
Other, net	0.04	(3.74)
Effective tax rate	23.72%	20.47%

15. Segment Information

(1) General Information about reportable segments

In regard to reportable segments, the Company is able to obtain discrete financial data from its component units.

Accordingly, its segments are subject to regular review to help the Board of Directors decide how to allocate managerial resources and evaluate business performance.

Divisions by products and services are located at headquarters. 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 the following divisions:

Segment	Main Products
Chemicals	Basic chemicals (melamine, sulfuric acid, nitric acid, ammonia, etc.) Fine chemicals (epoxy compound for LED sealants, solder resist and painting, flame retardants, chlorinated cyanuric acid for sterilizing, etc.)
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.)
Agricultural Chemicals	Agrochemicals (herbicides, insecticides, fungicides, combination fungicide and insecticide, and plant growth regulators) Animal health products
Pharmaceuticals	LIVALO® (anti-cholesterol drugs), etc. Finetech® (custom manufacturing and process researching services for pharmaceutical companies)
Trading	Trading, etc.
Others	Transportation, landscaping, engineering, fertilizer, etc.

(2) Basis for the 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) Information on sales, income (loss), assets, and other item amounts by reportable segment

FY2015	Millions of Yen						Adjustment (Note)	Consolidated Total
	Chemicals	Performance Materials	Agricultural Chemicals	Pharmaceuticals	Trading	Others		
Net sales								
Sales to outside customers	¥ 25,159	¥ 45,840	¥ 43,695	¥ 8,668	¥ 43,014	¥ 10,516	¥ —	¥ 176,894
Intersegment sales	9,187	5,932	3,792	—	12,630	10,362	(41,905)	—
Total sales	34,347	51,773	47,487	8,668	55,644	20,879	(41,905)	176,894
Segment income (loss)	3,927	12,021	10,831	2,006	1,813	475	(2,469)	28,606
Segment assets	26,643	40,972	52,917	11,144	19,672	10,147	66,671	228,169
Other items								
Depreciation and amortization	1,427	5,124	1,411	818	57	386	403	9,629
Amortization of goodwill	—	51	—	—	2	—	—	54
Increase of property, plant and equipment, and intangible assets	¥ 2,264	¥ 5,405	¥ 1,298	¥ 438	¥ 15	¥ 441	¥ 381	¥ 10,245

Notes: The adjustments are as follows:

- (1) The (2,469) million yen adjustment in segment income includes (361) million yen in intersegment eliminations, and (2,107) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to segments.
- (2) The 66,671 million yen adjustment in segment assets includes (11,172) million yen in intersegment eliminations and 77,843 million yen 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 403 million yen adjustment in depreciation and amortization is corporate expenses.
- (4) The 381 million yen adjustment in increase of property, plant and equipment and intangible assets is corporate assets. The corporate assets are mainly group administrative assets which do not belong to segments.

FY2016	Millions of Yen							Consolidated Total
	Chemicals	Performance Materials	Agricultural Chemicals	Pharmaceuticals	Trading	Others	Adjustment (Note)	
Net sales								
Sales to outside customers	¥ 25,723	¥ 46,403	¥ 47,791	¥ 7,966	¥ 42,281	¥ 10,108	¥ 14	¥ 180,289
Intersegment sales	9,057	6,406	4,160	26	12,916	13,921	(46,489)	—
Total sales	34,780	52,809	51,952	7,992	55,198	24,029	(46,474)	180,289
Segment income (loss)	3,820	12,533	13,201	1,656	1,697	966	(2,437)	31,438
Segment assets	26,113	48,028	55,588	10,182	19,782	10,731	61,322	231,748
Other items								
Depreciation and amortization	1,613	4,763	1,336	705	59	330	79	8,887
Amortization of goodwill	—	—	—	—	2	—	—	2
Increase of property, plant and equipment, and intangible assets	¥ 2,000	¥ 8,404	¥ 2,416	¥ 903	¥ 46	¥ 299	¥ 229	¥ 14,299

Notes: The adjustments are as follows:

- (1) The (2,437) million yen adjustment in segment income includes (285) million yen in intersegment eliminations, 14 million yen sales not attributable to any reporting segment, and (2,165) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to segments.
- (2) The 61,322 million yen adjustment in segment assets includes (9,338) million yen in intersegment eliminations and 70,660 million yen 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 79 million yen adjustment in depreciation and amortization is corporate expenses.
- (4) The 229 million yen adjustment in increase of property, plant and equipment and intangible assets is corporate assets. The corporate assets are mainly group administrative assets which do not belong to segments.

FY2016	Thousands of U.S. Dollars							Consolidated Total
	Chemicals	Performance Materials	Agricultural Chemicals	Pharmaceuticals	Trading	Others	Adjustment (Note)	
Net sales								
Sales to outside customers	\$ 229,260	\$ 413,574	\$ 425,945	\$ 70,998	\$ 376,836	\$ 90,089	\$ 125	\$ 1,606,854
Intersegment sales	80,722	57,094	37,077	232	115,116	124,073	(414,340)	—
Total sales	309,982	470,668	463,030	71,230	491,961	214,162	(414,207)	1,606,854
Segment income (loss)	34,046	111,702	117,656	14,759	15,125	8,610	(21,720)	280,196
Segment assets	232,736	428,057	495,437	90,749	176,310	95,642	546,542	2,065,490
Other items								
Depreciation and amortization	14,376	42,451	11,907	6,283	526	2,941	704	79,207
Amortization of goodwill	—	—	—	—	18	—	—	18
Increase of property, plant and equipment, and intangible assets	\$ 17,825	\$ 74,902	\$ 21,533	\$ 8,048	\$ 410	\$ 2,665	\$ 2,041	\$ 127,442

Overseas operations, which represent sales to customers outside Japan for FY2016 and FY2015 were as follows:

FY2015	Millions of Yen				
	Japan	Korea	Other Asia	Europe and the United States	Consolidated Total
Net sales	¥ 104,032	¥ 18,401	¥ 34,398	¥ 20,062	¥ 176,894
FY2016	Millions of Yen				
	Japan	Korea	Other Asia	Europe and the United States	Consolidated Total
Net sales	¥ 103,077	¥ 15,513	¥ 39,286	¥ 22,412	¥ 180,289
FY2016	Thousands of U.S. dollars				
	Japan	Korea	Other Asia	Europe and the United States	Consolidated Total
Net sales	\$ 918,690	\$ 138,262	\$ 350,143	\$ 199,750	\$ 1,606,854

16. 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 FY2016 and FY2015 were as follows:

	(Yen)		(U.S. dollars)
	FY2016	FY2015	FY2016
Net income	¥ 156.97	¥ 143.37	\$ 1.40
Cash dividends	¥ 52.00	¥ 44.00	\$ 0.46

Independent Auditor's 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, 2017, 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 its consolidated subsidiaries as of March 31, 2017, 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, 2017 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 28, 2017



Our Network

● Domestic Production Bases

Nagoya Plant

This plant faces the Port of Nagoya. Here we manufacture sulfuric acid and high-quality urea aqueous solution, among other products.



Toyama Plant

This plant is located in the center of Toyama Plain. Here we manufacture various groups of products, such as basic chemicals, environmental chemicals, and performance materials.



Onoda Plant

This plant is located in Sanyo-Onoda City, Yamaguchi. It is our base for the production of fine organic synthetic compounds, such as agrochemicals and pharmaceuticals.



Saitama Plant

This plant is located in northern Saitama. Here we manufacture agricultural formulations.



Sodegaura Plant Goi Works

This plant is located in the industrial area in Sodegaura City, Chiba. It is our base for the production of performance materials.



List of Offices, Plants and Laboratories

Offices

Head Office

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

Sendai Office

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

Osaka Office

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

Sapporo Office

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

Nagoya Office

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

Fukuoka 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

Saitama Plant

235-1, Aza Nishidai, Oaza Jimbohara-machi, Kamisato-machi, Saitama 369-0305
Tel: 0495-34-2810

Nagoya Plant

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

Sodegaura Plant Goi Works

12-17, Goiminamikaigan, Ichihara, Chiba 290-0045
Tel: 0436-22-2110

Toyama Plant

635 Sasakura, Fuchu-machi, Toyama 939-2753
Tel: 076-433-9602

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

Biological Research Laboratories

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

Materials Research Laboratories

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

11-1, Kitasode, Sodegaura, Chiba 299-0266
Tel: 0438-64-2881

635, Sasakura, Fuchu-machi, Toyama 939-2753
Tel: 076-465-7133

Nissan Chemical Group

Japan

Nissei Corporation

1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
Tel: 03-3241-2548

- Sales of chemical products and insurance, and real estate business

Nissan Green & Landscape Co., Ltd.

3-16-9, Uchikanda, Chiyoda-ku, Tokyo 101-0047
Tel: 03-3256-4031

- Landscaping and civil engineering

Environmental Technical Laboratories, Ltd.

2-11-7, Kohoku, Adachi-ku, Tokyo 123-0872
Tel: 03-3898-6643

- Environmental analysis

Sun Agro Co., Ltd.

1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
Tel: 03-3510-3601

- Fertilizers and agrochemicals

Nissan Butsuryu Co., Ltd.

1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
Tel: 03-5255-6901

- Transportation

Nissan Engineering, Ltd.

1-28-6, Kameido, Koto-ku, Tokyo 136-0071
Tel: 03-3636-7578

- Plant engineering services

Nihon Hiryo Co., Ltd.

1-10-5, Nihonbashihon-cho, Chuo-ku, Tokyo 103-0023
Tel: 03-3241-4231

- Fertilizers and agrochemicals

Clariant Catalysts (Japan) K.K.

2-28-8, Honkomagome, Bunkyo-ku, Tokyo 113-0021
Tel: 03-5977-7300

- Catalysts for petrochemical and petroleum products

Our Network

Overseas Bases (As of March 31, 2017)



Nissan Chemical Europe S.A.R.L

Parc d'affaires de Crécy - 10A rue de la Voie Lactée
69370 Saint Didier au Mont d'Or, France
Tel: +33-4-37-64-40-20
■ Sales of agrochemicals

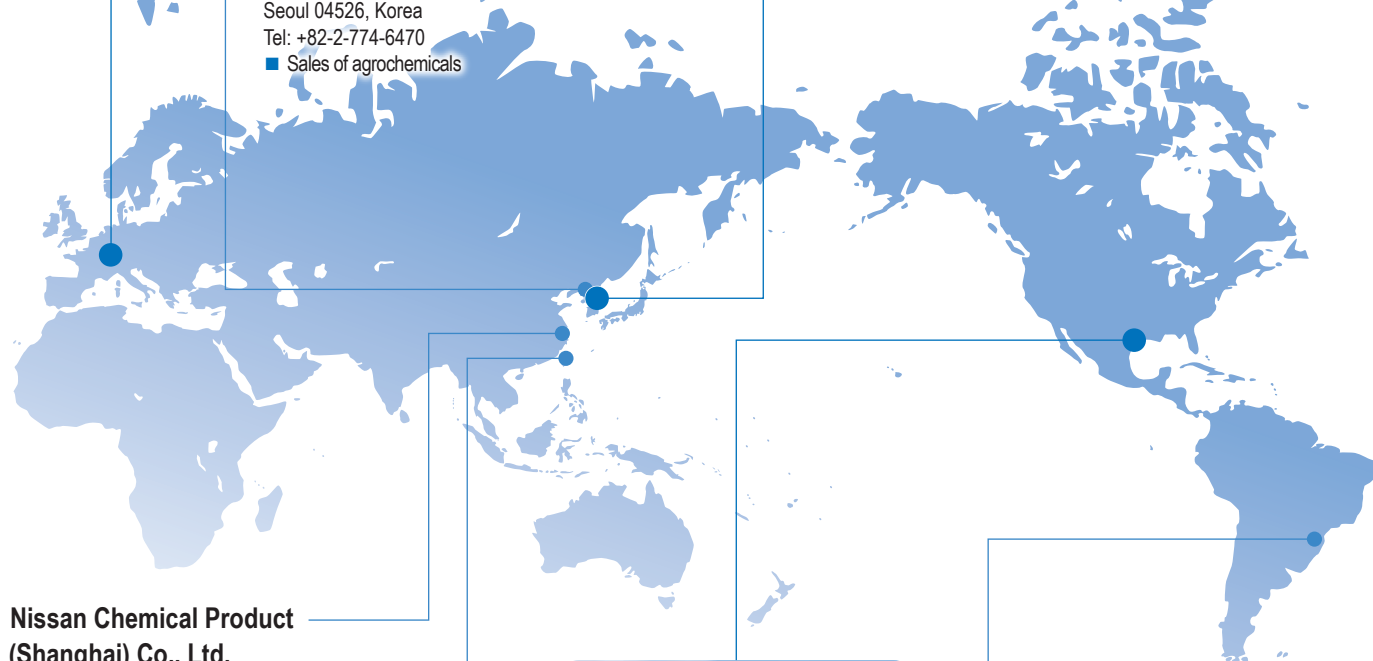


NCK Co., Ltd.

127, Chupalsandan-ro, Paengseong-eup, Pyeongtaek-si,
Gyeonggi-do, 17998, Korea
Tel: +82-31-691-7044
■ R&D, production and sales of
electronic materials

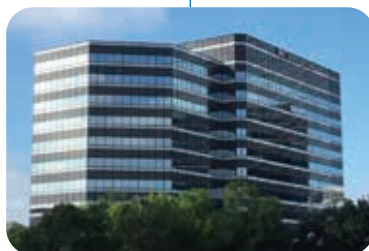
Nissan Chemical Agro Korea Ltd.

Room 2001, 74, Sejong-daero, Jung-gu,
Seoul 04526, Korea
Tel: +82-2-774-6470
■ Sales of agrochemicals



Nissan Chemical Product (Shanghai) Co., Ltd.

Room 1110, New Town Center,
83 Lou Shan Guan Road, Shanghai, China
Tel: +86-21-6236-8300
■ Sales support and promotional services for agrochemicals
Sales support for performance materials



Nissan Chemical America Corporation

10333 Richmond Avenue, Suite 1100, Houston,
Texas 77042, U.S.A.
Tel: +1-713-532-4745
■ R&D, production and sales of inorganic materials

Nissan Chemical Do Brasil

Avenida Gisele Constantino, 1850,
Salas 1518 a 1520, Parque Bela Vista,
Votorantim, SP, 18110-650, Brasil
Tel: +55-15-3019-8772
■ Sales support and promotional services
for agrochemicals

Nissan Chemical Taiwan Co., Ltd.

5F, 67 Luke 2nd Road, Luzhu District,
Kaohsiung, Taiwan
Tel: +886-7-695-5252
■ R&D and sales support for electronic materials

Corporate History

History of Nissan Chemical Industries, Ltd.

We were founded in 1887 as Tokyo Jinzo Hiryo, Japan's first manufacturer of chemical fertilizers, by visionaries of the Meiji Period, namely Jokichi Takamine, Eiichi Shibusawa, Takashi Masuda, and others.

We later merged with Kanto Sanso, Nippon Kagaku Hiryo, and other companies, and eventually changed the company name to Dainippon Jinzo Hiryo. In 1937, we made a comprehensive transfer of our assets, etc., to Nippon Kagaku Kogyo, which was affiliated with Nippon Sangyo Corporation, and then changed the company name to Nissan Chemical Industries, Ltd., the name by which we are known today (hereafter, the "Company").

History

February 1887	Tokyo Jinzo Hiryo is established.
July 1889	Nippon Seimi Seizo (later renamed Nippon Kagaku Hiryo) is established.
March 1891	The Onoda Plant of Nippon Seimi Seizo (now the Onoda Plant of the Company) is completed.
December 1895	Oji Seizoshō (later renamed Kanto Sanso) is established.
November 1897	The Oji Plant of Kanto Sanso (which later becomes the Oji Plant of the Company) is completed.
December 1907	The Komatsugawa Plant of Tokyo Jinzo Hiryo (which later becomes Tokyo Nissan Kagaku) is completed.
July 1910	Tokyo Jinzo Hiryo is renamed Dainippon Jinzo Hiryo.
February 1919	The Nagoya Plant (now the Nagoya Plant of the Company) of Nippon Jinzo Hiryo (later merged with Nippon Kagaku Hiryo) is completed.
June 1922	Taisho Unsou (now Nissan Butsuryu Co., Ltd.) is established.
May 1923	Dainippon Jinzo Hiryo merges with Kanto Sanso and Nippon Kagaku Hiryo. The Research Section of the Engineering Department is established at the head office and the Research Group is established at the Oji Plant. They serve as the research and development departments.
April 1928	The Toyama Plant of Dainippon Jinzo Hiryo (now the Toyama Plant of the Company) is completed.
February 1931	The fertilizer testing station of Dainippon Jinzo Hiryo (Koyasu, Yokohama City) is relocated to Shiraoka (now the Biological Research Laboratories of the Company).
October 1932	Bunka Nohosha (now Nissei Corporation) is established.
December 1937	Dainippon Jinzo Hiryo transfers assets, etc. to Nippon Kagaku Kogyo and then the latter is renamed Nissan Chemical Industries, Ltd.
April 1943	Nissan Chemical Industries, Ltd. is acquired by Nippon Mining Co., Ltd. and becomes its chemical section.
April 1945	Nippon Oil & Fats Co., Ltd. takes over the chemical section of Nippon Mining Co., Ltd. in a transfer of business and changes its name to Nissan Chemical Industries, Ltd.
May 1949	The Company is listed on the Japanese stock exchange after it resumes operation.
July 1949	The Company spins off its oil and fats section (now NOF Corporation) in accordance with the Enterprise Reorganization Act.
January 1965	The Company establishes Nissan Petrochemicals Ltd., thereby entering the petrochemical business.
November 1968	Tokyo Nissan Kagaku relocates its plant to Kamisato-mura, Saitama (now the Saitama Plant of the Company).
August 1969	The Company constructs the Sodegaura Plant following the formulation of a plan to close and relocate the Oji Plant.
December 1969	Production at the Oji Plant is discontinued and the plant is closed.
June 1988	The Company transfers its petrochemical section to Kyowa Hakko Kogyo Co., Ltd. (now KH Neochem Co., Ltd.) and withdraws from the petrochemical business.
October 1989	The Company establishes Nissan Chemical America Corporation (NCA) in the United States.
July 1996	The Company establishes Nissan Chemical Houston Corporation (NCH) in the United States.
April 1998	The Company acquires Tokyo Nissan Kagaku as its Saitama Plant.
April 2001	The Company establishes Nissan Chemical Korea Co., Ltd. (now, NCK Co., Ltd.) in South Korea.
June 2001	The Company reorganizes its R&D facilities and sets up the Chemical Research Laboratories, Electronic Materials Research Laboratories, and Specialty Materials Research Laboratories.
October 2001	The Company establishes Nissan-Agri Co., Ltd. (now Sun Agro Co., Ltd.), thereby spinning off its fertilizer business and integrating group companies related to the business.
July 2002	The Company acquires the domestic herbicide business from Monsanto Japan Limited.
December 2002	The Company establishes Nissan Chemical Europe S.A.R.L. (NCE) in France.
February 2005	The Company establishes Nissan Chemical Agro Korea Ltd. (NAK) in South Korea.
January 2010	The Company acquires a fungicide from Dow AgroSciences LLC of the United States.
October 2010	The Company establishes Nissan Chemical Taiwan Co., Ltd. (NCT) in Taiwan.
June 2013	The Company acquires Thin Materials GmbH (Germany).
October 2013	The Company merges NCH into NCA.
January 2014	The Company establishes Nissan Chemical Product (Shanghai) Co., Ltd. (NCS) in China.
October 2014	The Company reorganizes the Electronic Materials Research Laboratories and Inorganic Materials Research Laboratories into the Materials Research Laboratories.
June 2016	The Company establishes Nissan Chemical Do Brasil (NCB) in Brazil.

Corporate Profile

(As of March 31, 2017)

Corporate Name	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
Capital Stock	18,942 million yen
Number of Employees	Consolidated: 2,402
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 28, 2017)

Representative Director, President & CEO	Kojiro Kinoshita
Director, Senior Executive Vice President	Junichi Miyazaki
Director, Senior Managing Executive Officer	Hiroyoshi Fukuro
Director, Managing Executive Officer	Masataka Hatanaka
	Katsuaki Miyaji
	Hidenori Takishita
	Takashi Honda
Outside Director	Tisato Kajiyama
	Tadashi Ohe
Corporate Auditors	Yasuyuki Nakajima
	Norihiro Suzuki
	Shuichi Takemoto
	Noriyuki Katayama
Managing Executive Officer	Takeshi Iwata
Executive Officers	Satoru Hamamoto
	Nobutomo Tsuruzoe
	Hiroshi Onitsuka
	Hitoshi Suzuki
	Yuji Nishida
	Hironori Yoshida
	Shinsuke Yagi
	Motoaki Ishikawa
	Kazuhiko Ohrai
	Toshiro Miyake
	Hajime Yoshida

Share Information

(As of March 31, 2017)

Total Number of Authorized Shares	360,000,000
Shares of Common Share Issued	154,000,000
Shareholders	11,976

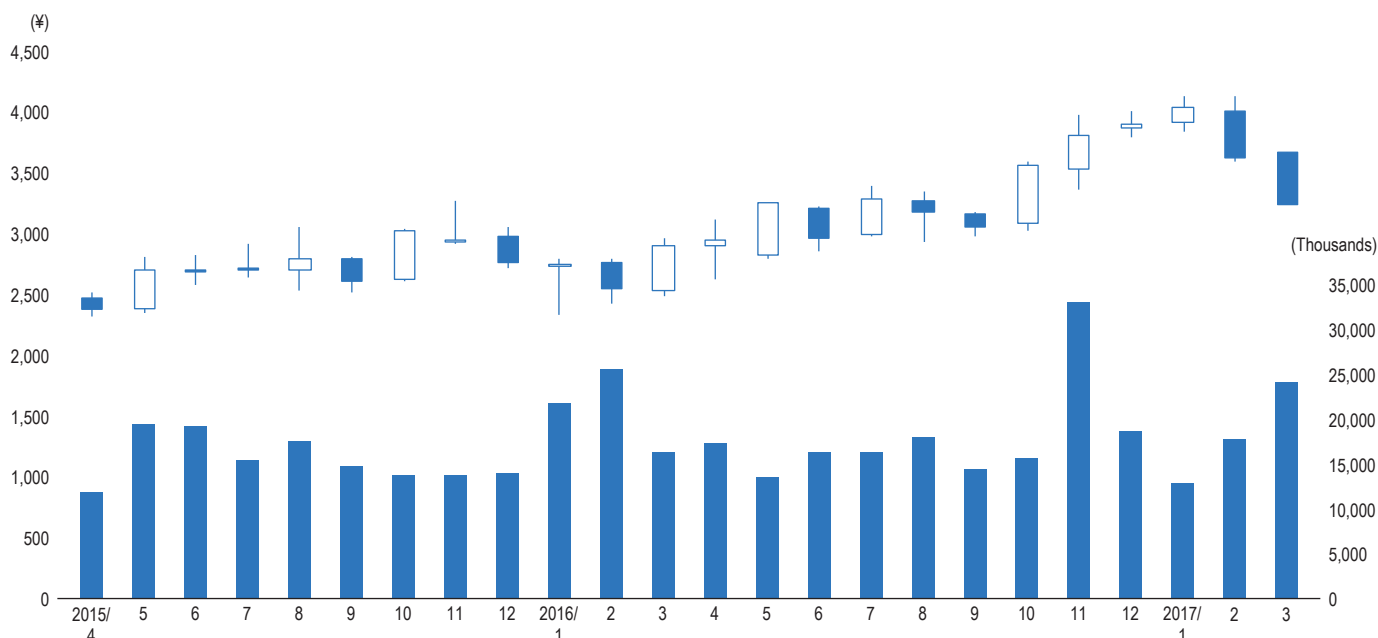
Major shareholders (Top ten companies)	Number of shares held (1,000 shares)	Investment (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,061	11.9
Japan Trustee Services Bank, Ltd. (Trust Account)	12,871	8.5
Trust & Custody Services Bank, Ltd. as trustee for the Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust	7,633	5.0
The Norinchukin Bank	4,800	3.2
Nissan Chemical Industries, Ltd. Customer Shareholders Association	3,968	2.6
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,217	2.1
Sompo Japan Nipponkoa Insurance Inc.	2,380	1.6
Ono Pharmaceutical Co., Ltd.	2,376	1.6
Nissan Chemical Industries, Ltd. Employee Shareholders Association	2,205	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,108	1.4

(Notes) 1. Although the company holds 2,242,017 treasury shares, it is not included in the above list of major shareholders.
2. Investment percentages are calculated excluding treasury shares.

	Financial institutions	Securities companies	Other domestic companies	Overseas investors	Individuals/Others	Treasury shares
Percentage of share held (%)	47.3	4.1	11.4	24.1	11.6	1.5

* The company retired 2,000,000 of its 2,242,017 treasury shares on May 9, 2017.

Share Price and Trading volume (April 2015 – March 2017)



Comparison with GRI G4 Sustainability Reporting Guidelines

General Standard Disclosures		Page with Information
Strategy and Analysis		
G4-1	A statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	P3-6 Interview with the President
G4-2	A description of key impacts, risks, and opportunities	—
Organizational Profile		
G4-3	Name of the organization	P85 Corporate Profile
G4-4	Primary brands, products, and services	P19-22 Main Products P23-34 Business Overview
G4-5	Location of the organization's headquarters	P85 Corporate Profile
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	P17-18 Non-Financial Highlights P81-83 Our Network
G4-7	Nature of ownership and legal form	P85 Corporate Profile
G4-8	Markets served	P15-16 Financial Highlights P23-34 Business Overview Annual securities report
G4-9	Scale of the organization	P15-16 Financial Highlights P17-18 Non-Financial Highlights P81-83 Our Network Annual securities report
G4-10	Breakdown of employment	P17-18 Non-Financial Highlights Annual securities report
G4-11	Percentage of total employees covered by collective bargaining agreements	P61-64 Relationships with Employees
G4-12	The organization's supply chain	—
G4-13	Significant changes regarding the organization's size, structure, ownership, or its supply chain	P11-14 "Progress2030" and "Vista2021" P84 Corporate History
Commitments to External Initiatives		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	P41-56 Responsible Care (RC) Activities
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	P9-10 SDGs and Nissan Chemical Initiatives P41-44 Responsible Care Management
G4-16	Memberships of associations and national or international advocacy organizations	P41-44 Responsible Care Management P55-56 Chemicals and Product Safety
Identified Material Aspects and Boundaries		
G4-17	<ul style="list-style-type: none"> Entities included in the organization's consolidated financial statements or equivalent documents Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report 	P2 Editorial Policy Annual securities report
G4-18	<ul style="list-style-type: none"> Process for defining the report content and the Aspect Boundaries How the organization has implemented the Reporting Principles for Defining Report Content 	—
G4-19	List of all the material Aspects identified in the process for defining report content	P41-44 Responsible Care Management
G4-20	Aspect Boundary within the organization for each material Aspect	—
G4-21	Aspect Boundary outside the organization for each material Aspect	—
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	—
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	—
Stakeholder Engagement		
G4-24	A list of stakeholder groups engaged by the organization	P57-64 Communication with Society
G4-25	Basis for identification and selection of stakeholders with whom to engage	P57-64 Communication with Society
G4-26	The organization's approach to stakeholder engagement	P57-64 Communication with Society
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	P51-52 Biodiversity Conservation
Report Profile		
G4-28	Reporting period for information provided	P2 Editorial Policy
G4-29	Date of most recent previous report	P2 Editorial Policy
G4-30	Reporting cycle	P2 Editorial Policy
G4-31	Contact point for questions regarding the report or its contents	P2 Editorial Policy
GRI Content Index		
G4-32	<ul style="list-style-type: none"> 'In accordance' option the organization has chosen GRI Content Index for the chosen option Reference to the External Assurance Report, if the report has been externally assured 	Referred to GRI G4 (Core). P87-90 Comparison with GRI G4 Sustainability Reporting Guidelines No External Assurance
Assurance		
G4-33	<ul style="list-style-type: none"> The organization's policy and current practice with regard to seeking external assurance for the report Scope and basis of any external assurance provided Relationship between the organization and the assurance providers Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report 	—
Governance		
Governance structure and its composition		
G4-34	Governance structure of the organization and committees responsible for decision-making on economic, environmental and social impacts	P35 Promotion of CSR P36-37 Corporate Governance
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Corporate governance report
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	P35 Promotion of CSR P36-37 Corporate Governance
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics, and if consultation is delegated, to whom and any feedback processes to the highest governance body	P59 Relationships with Investors Corporate governance report
G4-38	Composition of the highest governance body and its committees	P35 Promotion of CSR P36-37 Corporate Governance Corporate governance report

G4-39	Whether the Chair of the highest governance body is also an executive officer	Corporate governance report
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members	P36-37 Corporate Governance Corporate governance report
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Corporate governance report
Highest Governance Body's Role in Setting Purpose, Values, and Strategy		
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	P36-37 Corporate Governance Corporate governance report
Highest Governance Body's Competencies and Performance Evaluation		
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate governance report
G4-44	Processes for evaluation of the highest governance body's performance with respect to the governance of economic, environmental and social topics and actions taken in response to the evaluation	P36-37 Corporate Governance Corporate governance report
Highest Governance Body's Role in Risk Management		
G4-45	<ul style="list-style-type: none"> Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities 	P36-37 Corporate Governance P38 Compliance P39 Risk Management P41-44 Responsible Care Management Corporate governance report
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	P36-37 Corporate Governance Corporate governance report
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	P36-37 Corporate Governance
Highest Governance Body's Role in Sustainability Reporting		
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	—
Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance		
G4-49	Process for communicating critical concerns to the highest governance body	P38 Compliance P39 Risk Management Corporate governance report
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	P38 Compliance P39 Risk Management
Remuneration and Incentives		
G4-51	Remuneration policies for the highest governance body and senior executives and how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	P36-37 Corporate Governance
G4-52	Process for determining remuneration	P36-37 Corporate Governance
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	P36-37 Corporate Governance
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees	—
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	—
Ethics and Integrity		
G4-56	The organization's values, principles, standards and norms of behavior	P3-6 Interview with the President P35 Promotion of CSR P38 Compliance
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	P36-37 Corporate Governance Corporate governance report
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	P38 Compliance
Specific Standard Disclosures		
DMA	Why the Aspect is material, impacts that make this Aspect material, how the organization manages the material Aspect or its impacts, and evaluation of the management approach	P41-56 Responsible Care (RC) Activities
Economic		
Economic Performance		
EC1	Direct Economic Value Generated and Distributed	Annual securities report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	—
EC3	Coverage of the organization's defined benefit plan obligations	Annual securities report
EC4	Financial assistance received from the government	—
Market Presence		
EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation	—
EC6	Proportion of senior management hired from the local community at significant locations of operation	—
Indirect Economic Impacts		
EC7	Development and impact of infrastructure investments and services supported	P51-52 Biodiversity Conservation P60 Relationships with Society
EC8	Significant indirect economic impacts	—
Procurement Practices		
EC9	Proportion of spending on local suppliers at significant locations of operation	—
Environmental		
Materials		
EN1	Materials used by weight or volume	—
EN2	Percentage of materials used that are recycled input materials	—
Energy		
EN3	Energy consumption within the organization	P45-50 Environment Safety and Climate Change Strategy
EN4	Energy consumption outside the organization	P45-50 Environment Safety and Climate Change Strategy
EN5	Energy intensity	P45-50 Environment Safety and Climate Change Strategy
EN6	Reduction of energy consumption	P45-50 Environment Safety and Climate Change Strategy
EN7	Reductions in energy requirements of products and services	—
Water		
EN8	Total water withdrawal by source	P45-50 Environment Safety and Climate Change Strategy
EN9	Water sources significantly affected by withdrawal of water	—

Comparison with GRI G4 Sustainability Reporting Guidelines

EN10	Percentage and total volume of water recycled and reused	—
Biodiversity		
EN11	Operational sites owned, leased, managed in areas of high biodiversity value	P51-52 Biodiversity Conservation
EN12	Significant impacts of activities, products, and services on biodiversity in areas of high biodiversity value	—
EN13	Habitats protected or restored	P51-52 Biodiversity Conservation
EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations	—
Emissions		
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	P45-50 Environment Safety and Climate Change Strategy
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CO ₂ emissions from energy use, CO ₂ emissions from non-energy use
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	P45-50 Environment Safety and Climate Change Strategy
EN18	Greenhouse gas (GHG) emissions intensity	P45-50 Environment Safety and Climate Change Strategy
EN19	Reduction of greenhouse gas (GHG) emissions	P45-50 Environment Safety and Climate Change Strategy
EN20	Emissions of ozone-depleting substances (ODS)	—
EN21	NO _x , SO _x , and other significant air emissions	P45-50 Environment Safety and Climate Change Strategy
Effluents and Waste		
EN22	Total water discharge by quality and destination	P45-50 Environment Safety and Climate Change Strategy
EN23	Total weight of waste by type and disposal method	P45-50 Environment Safety and Climate Change Strategy
EN24	Total number and volume of significant spills	Not applicable
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	—
EN26	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff	—
Products and Services		
EN27	Extent of impact mitigation of environmental impacts of products and services	P19-22 Main Products
EN28	Percentage of products sold and their packaging materials that are reclaimed	—
Compliance		
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not applicable
Transport		
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	P45-50 Environment Safety and Climate Change Strategy
Overall		
EN31	Total environmental protection expenditures and investments	P45-50 Environment Safety and Climate Change Strategy
Supplier Environmental Assessment		
EN32	Percentage of new suppliers that were screened using environmental criteria	—
EN33	Significant negative environmental impacts in the supply chain and actions taken	—
Environmental Grievance Mechanisms		
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Not applicable
Social		
Labor Practices and Decent Work		
Employment		
LA1	Total number and rates of new employee hires and employee turnover	P17-18 Non-Financial Highlights
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
LA3	Return to work and retention rates after parental leave	P17-18 Non-Financial Highlights
Labor/Management Relations		
LA4	Minimum notice periods regarding operational changes	—
Occupational Health and Safety		
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	P61-64 Relationships with Employees
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	P53-54 Safety and Disaster Prevention, Occupational Safety and Health
LA7	Workers with high incidence or high risk of diseases related to their occupation	—
LA8	Health and safety topics covered in formal agreements with trade unions	P61-64 Relationships with Employees
Training and Education		
LA9	Average hours of training per year per employee	P61-64 Relationships with Employees
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P61-64 Relationships with Employees
LA11	Percentage of employees receiving regular performance and career development reviews	P61-64 Relationships with Employees
Diversity and Equal Opportunity		
LA12	Composition of governance bodies and breakdown of employees per category	—
Equal Remuneration for Women and Men		
LA13	Ratio of basic salary and remuneration of women to men	Basic salary does not differ between women and men.
Supplier Assessment for Labor Practices		
LA14	Percentage of new suppliers that were screened using labor practices criteria	—
LA15	Significant negative impacts for labor practices in the supply chain and actions taken	—
Labor Practices Grievance Mechanisms		
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	—
Human Rights		
Investment		
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	—
Non-discrimination		
HR3	Total number of incidents of discrimination and corrective actions taken	Not applicable
Freedom of Association and Collective Bargaining		
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Not applicable
Child Labor		
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the abolition of child labor	Not applicable
Forced or Compulsory Labor		
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Not applicable

Security Practices		
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	—
Indigenous Rights		
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Not applicable
Assessment		
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	—
Supplier Human Rights Assessment		
HR10	Percentage of new suppliers that were screened using human rights criteria	—
HR11	Significant negative human rights impacts in the supply chain and actions taken	—
Human Rights Grievance Mechanisms		
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Not applicable
Society		
Local Communities		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	—
SO2	Operations with significant negative impacts on local communities	Not applicable
Anti-corruption		
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	—
SO4	Communication and training on anti-corruption policies and procedures	P38 Compliance
SO5	Confirmed incidents of corruption and actions taken	Not applicable
Public Policy		
SO6	Total value of political contributions	—
Anti-competitive Behavior		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not applicable
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not applicable
Supplier Assessment for Impacts on Society		
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	—
SO10	Significant negative impacts on society in the supply chain and actions taken	—
Grievance Mechanisms for Impacts on Society		
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not applicable
Product Responsibility		
Customer Health and Safety		
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	P55-56 Chemicals and Product Safety
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	Not applicable
Product and Service Labeling		
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	—
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	Not applicable
PR5	Results of surveys measuring customer satisfaction	—
Marketing Communications		
PR6	Sale of banned or disputed products	Not applicable
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	Not applicable
Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not applicable



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