

Annual Report **2010**  
For the year ended March 31, 2010





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### Projections

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

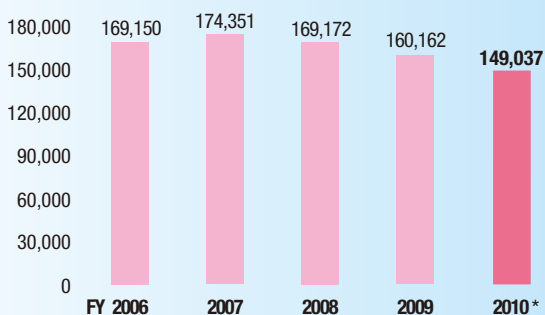
# FINANCIAL HIGHLIGHTS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2010 and 2009

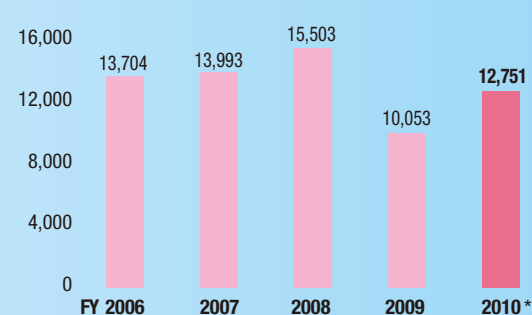
Consolidated	Millions of Yen		Thousands of U.S. Dollars
	FY 2010	FY 2009	FY 2010
Net sales	¥149,037	¥ 160,162	\$1,601,857
Net income	12,751	10,053	137,053
Equity	106,516	95,672	1,144,843
Amounts per share (in yen and U.S. dollars):			
Net income	¥ 74.00	¥ 57.26	\$ 0.80
Equity	618.23	555.14	6.64
Non-Consolidated			
Net sales	¥110,993	¥ 117,797	\$1,192,965
Net income	10,435	7,957	112,158
Equity	93,835	85,632	1,008,541
Amounts per share (in yen and U.S. dollars):			
Net income	¥ 60.56	¥ 45.32	\$ 0.65
Equity	544.63	496.88	5.85

Note: The U.S. dollar amounts in this report are given for convenience only and represent translations of Japanese yen at the rate of ¥93.04 to U.S. \$1, the rate prevailing at the end of the term.

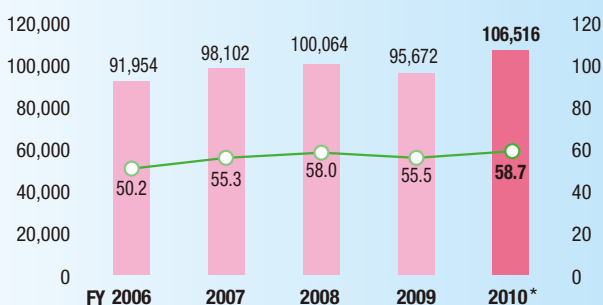
**Net Sales (Millions of Yen)**



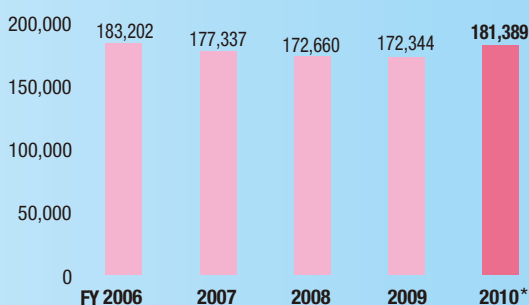
**Net Income (Millions of Yen)**



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



**Total Assets (Millions of Yen)**



\* FY2010: fiscal year ended March 31, 2010

## A MESSAGE FROM THE PRESIDENT

I would like to begin this report by expressing my sincere appreciation to our shareholders for their continuing support.

In FY2010, the year ended March 31, 2010, we continued to see evidence of the continuing stagnation of Japan's economy, including an intensifying deflationary trend driven by a consumer preference for low-priced products. However, there were also signs that some areas of the economy were starting to bottom out, aided by a recovery in exports to China and other emerging economies and the underpinning effect of government expenditure.

Our net sales in the year under review were ¥11,125 million below the previous year's level at ¥149,037 million. However, strong sales in the core area of electronic materials in the second half of the year lifted ordinary income by ¥2,351 million year on year to ¥19,241 million. Net income was also higher, with a ¥2,699 million increase to ¥12,751 million. This growth allowed us to set the final dividend at ¥14 per share, raising the total dividend for the year by ¥2 above the previous year's level to ¥24.

Looking ahead, we believe that the changing conditions, in-

cluding the new flare-up of the financial crisis in Europe, necessitate caution. However, we are determined to achieve sustainable growth and success under our new medium-term management plan, Vista 2015, which we launched in April 2010. Stage I of this six-year plan covers the three years from FY2011 (fiscal year ended March 31, 2011) to FY2013, and Stage II the three years from FY2014 to FY2016.

With Vista 2015, we will move forward toward realizing our vision for Nissan Chemical in 2020 as a dynamic corporate Group capable of continual development and evolution driven by growth engines in two areas: electronic, organic and inorganic materials, and life science products, specifically agricultural chemicals and pharmaceuticals.

The plan defines where we want to be in 2015. Our goal is to establish a position for Nissan Chemical as a chemical manufacturer with growth potential based on continuing expansion in the core area of specialty materials, an expanding development pipeline for life science products, and reliable income streams from chemical products and affiliated companies.

In Stage I, we will work to attain this goal through four basic strategies: creating new growth engines, reinforcing our R&D capabilities, accelerating the development of overseas operations, and developing human resources. By steadily implementing these strategies, we aim to achieve record income in FY2013, and develop Nissan Chemical as a true Value-Creating Enterprise with world-class brands and earning power that will rank us among our industry's top companies.

Our corporate philosophy is to "Contribute to society while maintaining harmony with the environment through outstanding technologies, products, and services." Under that philosophy, we will work to improve management transparency, reinforce compliance systems and emphasize environmental and social contributions. By moving forward in these and other areas, we aim to become a corporate group with a powerful market presence that is trusted by all its stakeholders, and fulfills its social responsibilities through sound business activities that are consistently based on good faith.

We look forward to the continued understanding and support of our shareholders in the coming years.

Kojiro Kinoshita, *President*



# Vista 2015 Stage I

## Toward sustainable growth and progress under a new medium-term plan

In April 2010, we launched Vista 2015, our new medium-term management plan. Under this plan, we aim to enhance our brand potential and corporate value as a true Value-Creating Enterprise dedicated to growth in partnership with customers.

The new plan is based on our vision for Nissan Chemical in 2020 as a dynamic corporate Group capable of continual development and evolution driven by growth engines in two areas: electronic, organic and inorganic specialty materials, and life science products, specifically agricultural chemicals and pharmaceuticals.

By 2015, we want to establish Nissan Chemical as a chemical manufacturer that enjoys strong growth potential based on continuing expansion in the core area of specialty materials, an expanding development pipeline for life science products, and reliable income streams from chemical products and affiliated companies.

During Stage I of the plan, which covers the three-year period from FY2011 (fiscal year ended March 31, 2011) to FY2013, we will increase earnings by growing in the specialty materials category and expanding sales of chemical products.

We will also prepare for new growth and success during Stage II (FY2014 to FY2016) and beyond through forward investment in new businesses and products as drivers for future growth. In FY2013, the final year of Stage I, we aim to set new records for net sales, at ¥190,000 million, and operating income, at ¥25,000 million. In FY2016, the final year of Stage II, we aim to achieve net sales of ¥220,000 million and operating income of ¥36,000 million by creating new materials, adding animal health products to our areas of activity in the Agricultural Chemicals business, and building a reliable income stream based on royalties from our Pharmaceutical business.

### Basic Strategies for Stage I

#### 1. Creating New Growth Engines

We will accelerate the creation of new businesses and products as the foundation for our future growth and success.

- 1) We will establish new businesses through intensive development activities focusing on themes rigorously selected from a wide range of exploratory programs.
- 2) We will spur the development of new products by enhancing our ability to plan products based on market needs in areas relating to our various business segments.
- 3) We will acquire promising businesses and technologies in Japan and overseas.

#### 2. Reinforcing R&D Capabilities

Our core areas of expertise are fine organic synthesis, ultrafine particle control technology, functional polymer design and evaluation to elucidate biological activity. We will build R&D structures that will allow us to realize our full potential in these fields.

- 1) By expanding and enhancing our biochemical research facili-

ties, including the establishment of the new Onoda Research and Development Center, we will create a low-cost research environment capable of continually creating new products and maximizing the added value of existing products.

- 2) We will further enhance our research capabilities, including the introduction of advanced technologies through industry-government-academia collaboration in Japan and overseas.
- 3) We will commit ¥20,000 million in research-related capital investment, expand our research work force from 430 to 490, and increase R&D expenditure to ¥44,000 million.

# Vista 2015 Stage I

Toward sustainable growth and progress under a new medium-term plan

## 3. Accelerating Development of Overseas Operations

To capture the growth potential of markets outside Japan, especially in the emerging economies, we will step up the development of our overseas operations.

- 1) We will expand local work forces and accelerate the development of a global structure by strengthening human resource development systems.
- 2) We will strengthen all aspects of business infrastructure at overseas sites, including marketing, research, development and manufacturing.

## 4. Developing Human Resources

We will focus our total resources into the development of high-quality human resources with the specialized skills and knowledge needed to realize our vision.

- 1) We will improve our R&D capabilities and production technology as the basis for the continuing creation of new value.
- 2) We will prepare for overseas expansion by actively fostering international perceptions and attitudes in our personnel.

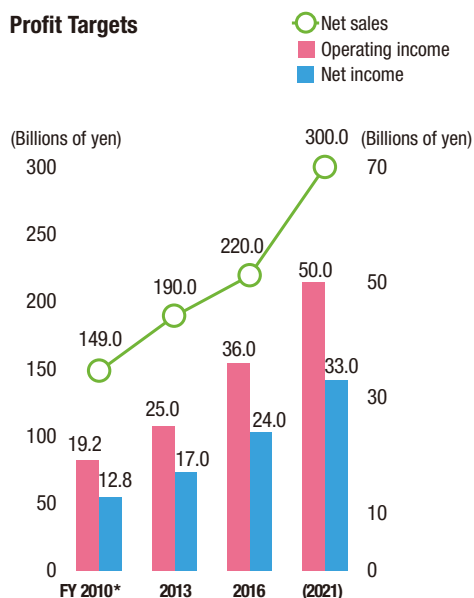
## Growth Sources for Stage I

The following initiatives will lead us to achieve record income in FY2013:

### 1. Specialty Materials Area

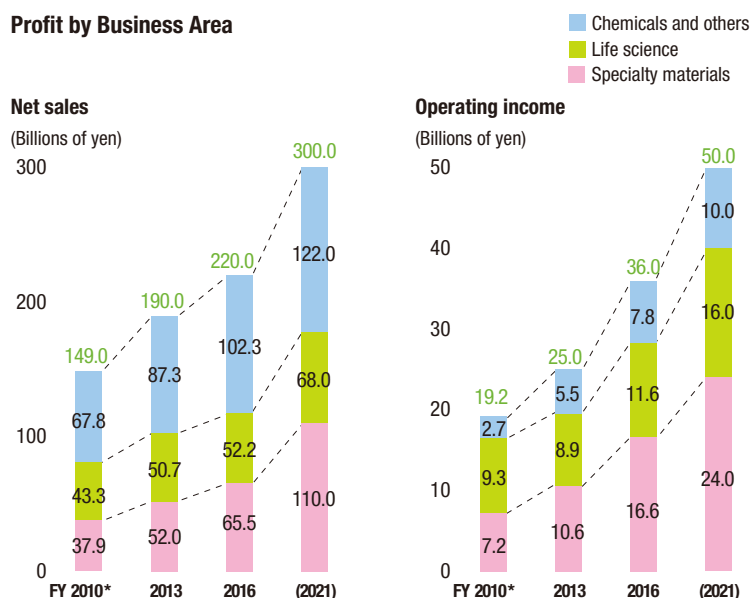
- (1) Electronic Materials
  - 1) We will maintain and expand the market shares for our existing SUNEVER and BARC lines.
  - 2) We will capture markets for next-generation materials, including polarization materials for optical applications (VA/IPS) and multilayered semiconductor materials (Si-HM/SOC).
  - 3) Development of new materials, including 3D packaging for semiconductors, CCD materials and organic EL materials, will be accelerated, and sustainable demand will be developed.
  - 4) We will accelerate our overseas expansion by bolstering R&D activities and local work forces.
- (2) Inorganic Materials
  - 1) A second manufacturing facility will be built at the Toyama Plant, and production of high-added-value items at the Sodegaura Plant will be expanded.
  - 2) We will expand overseas sales by strengthening the capabilities of our U.S. sales subsidiary.

### Profit Targets



\*FY2010: fiscal year ended March 31, 2010

### Profit by Business Area



(3) Organic Materials

We will build new businesses based on functional hyper-branch polymers, supramolecular gelator and nucleating agent for polylactic acid.

## 2. Life Sciences Area

(1) Agricultural Chemicals

- 1) We will expand sales of our own developed products, including thifluzamide, and build a reliable income stream based on ROUNDUP.
- 2) NC-620, a new herbicide that will be effective against sulfonylurea-resistant weeds, will be brought to market in 2012.
- 3) We will establish business infrastructure in preparation for our expansion into animal health products in 2013.

(2) Pharmaceuticals

- 1) We will expand bulk shipments of LIVALO to Europe and North America and reduce manufacturing costs by reforming our production process.
- 2) We will secure royalty income by advancing to the development stage for drugs targeting chronic arterial occlusive disease, arrhythmia and thrombocytopenia.
- 3) We will expand our development pipeline by strengthening our drug discovery capabilities.

## 3. Chemicals Area

- 1) We will expand sales of high-added products, including high-purity chemicals and TEPIC, which is used in the production of electronic materials.
- 2) We will accelerate the development of sustainable demand for new products, including liquid types of epoxies.
- 3) We will exhaustively analyze our competitiveness and reduce costs in all business areas.

## Financial Indicators

**1. We will improve the operating income margin, mainly by expanding sales of high-added-value products and reducing costs.**

Target for FY2013: 13.2%

Target for FY2016: 16.4%

**2. We will make optimal use of our capital to achieve high earning capacity.**

Target for FY2013: ROE of 13%

Target for FY2016: ROE of 15% or higher

**3. We will invest aggressively in future growth.**

Total capital investment during Stage I: ¥46,000 million

**4. R&D is essential to our business operations and will be prioritized in the allocation of management resources.**

Ratio of R&D expenditure to net sales during Stage I: 8.3%

**5. We will actively return income to shareholders.**

Dividend payout ratio: 30% or higher

By moving forward steadily under this plan, the Nissan Chemical Group aims to achieve sustainable growth and build a secure foundation for future success.





### Business Overview

As the core of corporate business development, the Company concentrates management resources on electronic materials and organic/inorganic materials businesses that are growing and expanding.

SUNEVER and BARC, key products of our electronic 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.

In our organic and inorganic materials business, in addition to our other major products, SNOWTEX and TEPIC, Nissan Chemical launched a total-support business for R&D of active pharmaceutical ingredients in 2003, and sales have been steadily increasing through business expansion which met with the customer needs to outsource the manufacturing process development.

In our basic chemicals business, which brings stable profit, we are manufacturing and selling MELAMINE, industrial chemicals (such as sulfuric acid, nitric acid and ammonia) and environmental chemicals (such as HILITE, a disinfectant for swimming pools and waste water treatment systems).

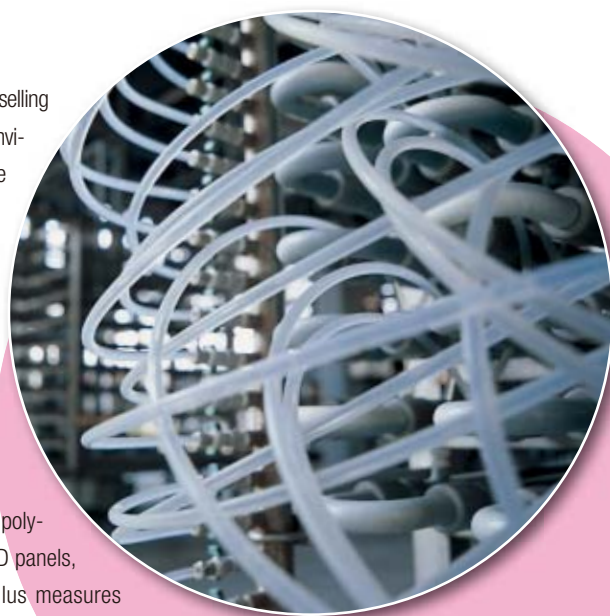
### Business Performance

Demand for basic chemicals shifted to a gradual recovery trend. However, sales of key products, including ammonia, nitric acid and sulfuric acid, fell below the previous year's level because of the recessionary environment.

In the specialty product category, there was an increase in sales of SUNEVER, a polyimide used in liquid crystal displays. This increase followed higher demand for LCD panels, especially for use in flat-panel televisions, that resulted from economic stimulus measures implemented in various countries.

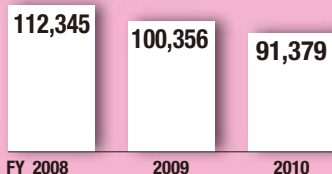
Demand for products for use in electronic devices remained strong in the semiconductor market, and sales of ARC, an anti-reflective coating for semiconductors, exceeded the previous year's level. However, the emergence of a recovery trend in the second half of the year was not enough to prevent a year-on-year decline in total sales of SNOWTEX, which is used as an abrading agent for electronic materials and as a surface treatment agent for other materials.

Total net sales in this segment were ¥8,978 million below the previous year's result at ¥91,379 million. However, increased sales of products used with electronic materials helped to lift operating income by ¥1,449 million year on year to ¥10,026 million.

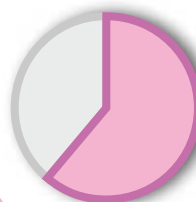
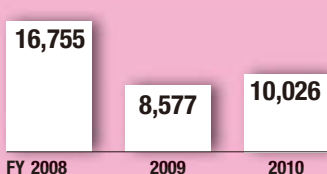




NET SALES (Millions of Yen)



OPERATING INCOME (Millions of Yen)



SALES RATIO BY SEGMENT

61.3%

## Main Products

### [SUNEVER]

SUNEVER is a polyimide resin for coating liquid-crystal glass to align the liquid crystal molecules in a certain direction. This material comes in various grades to correspond to the latest flat-screen liquid-crystal televisions, liquid-crystal monitors and personal computers, and other medium- and small-size 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.

### [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.



# AGRICULTURAL CHEMICALS

### Business Overview

The agricultural chemicals business centers on the production and distribution of herbicides, insecticides and fungicides for the Japanese and overseas markets. Nissan Chemical sells various agricultural chemicals to over 60 countries throughout the world via our Japanese and overseas business locations and sales networks. These include unique products such as the herbicides TARGA, SIRIUS and PERMIT and the insecticides SANMITE and MITO-KOHNE.

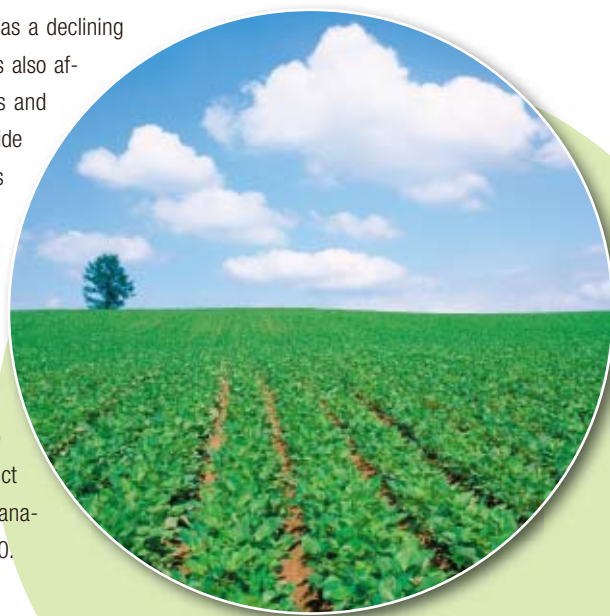
In 2002, we took over the domestic herbicide business of the Monsanto Company as a part of our agricultural business enhancement measures and added ROUNDUP to our product line. Furthermore, we are steadily strengthening our sales system in North America and working on establishing domestic and overseas business infrastructure through the Canyon Group LLC established in 2004 as a joint venture with Gowan Company in the United States.

In 2008 and 2009, the new fungicide LEIMAY and insecticide STARMITE were launched. In addition, in 2010, we acquired Dow AgroSciences' global "Thifluzamide" fungicide business. We will put our efforts into the creation of new agricultural chemicals that are active, safe and more environment-friendly for a wide range of major world crops while quickly adapting to market needs and changes in the agricultural industry.

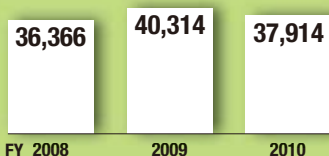
### Business Performance

Market conditions in Japan remained difficult. Besides structural factors, such as a declining farming population and reductions in the area under cultivation, the market was also affected by abnormal weather conditions, especially prolonged summer rainfalls and inadequate sunshine hours. While we saw growing sales of STARMITE, an acaricide launched in 2009, sales of ROUNDUP were lower year on year because of moves to reduce distribution inventories. Sales of the rice paddy herbicide SIRIUS and the acaricide SANMITE were also below the previous year's levels. In overseas markets, sales of the dry-field herbicide PERMIT were adversely affected by the emergence of cheap generic products.

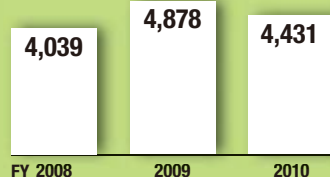
Net sales in this segment were also affected by a decline in one-off payments and were ¥2,400 million lower year on year at ¥37,914 million. Operating income declined by ¥446 million to ¥4,431 million. As part of efforts to expand our product portfolio, we acquired the global "Thifluzamide" fungicide business of the Indiana-based company Dow AgroSciences. We began selling this product in January 2010.



NET SALES (Millions of Yen)



OPERATING INCOME (Millions of Yen)



SALES RATIO BY SEGMENT

25.5%

## Main Products

### [ROUNDUP]

ROUNDUP is a nonselective herbicide to prevent and remove a wide range of weeds from among the general weeds that grow in agricultural fields, fruit orchards and non-crop land, and weeds that are difficult to prevent and remove. ROUNDUP is an amino-acid herbicide with extremely low toxicity that is safe and eco-friendly.

### [SIRIUS]

SIRIUS is an herbicide for rice paddies that requires only an extremely small amount to be effective. In addition to being used in Japan, it is also used in rice-growing regions such as China, Korea and Southeast Asia.

### [TARGA]

TARGA is the most active grass weed killer available for all major broadleaf crops, especially soybeans, sugar beets, sunflowers, oilseed rape and vegetables. It has excellent efficacy against volunteer cereals, wild oats, common couch and all major grass weeds. It is used all over the world, especially in North America and Europe.

### [PERMIT]

PERMIT is an herbicide developed for gramineous crops, such as corn, that was introduced to the market in 1994. Currently, it is exported to North America, Central and South America, and Australia, where it has received high evaluations.

### [SANMITE]

SANMITE is a high-performance acaricide for a wide variety of citrus fruits, apples, peas, peaches, grapes, vegetables, teas and ornamentals. It shows outstanding efficacy against a broad spectrum of phytophagous mites such as spider mites, broad mites and rust mites. At present, it is widely used in fruit orchards in Japan and widely around the world.

### [MITO-KOHNE]

MITO-KOHNE, launched in 2000, is a new type of acaricide that is totally different from existing ones. It is an eco-friendly agent that has almost no adverse effects on useful insects and natural enemies.

### [STARMITE]

Launched onto the market in 2009, this insecticide is highly active and effective against spider mites at all stages. It is suitable for use with a variety of crops, including apples, citrus fruit and tea.

### [LEIMAY]

This fungicide was brought to market in 2008. It is highly effective in the prevention of downy mildew, blight and other major diseases affecting vegetables and potatoes. In addition, it is extremely safe for human beings, livestock and the environment.

### [IKARUGA]

IKARUGA is highly active against Basidiomycete fungi, in particular *Rhizoctonia solani*, which primarily attacks turf, rice and potatoes. It is marketed in Japan, China, Korea, Brazil and other countries.



### Business Overview

Nissan Chemical entered into the pharmaceutical business in 1982, and introduced an external preparation, ketoprofen (EPATEC), in 1985.

In 1994, efonidipine hydrochloride (LANDEL), a Ca antagonist, was launched as our company's first new pharmaceutical for the indication of hypertension. Indications for renoparenchymal hypertension and angina pectoris were added in 1998. In addition, efonidipine hydrochloride (FINTE) was introduced in South Korea in 2003.

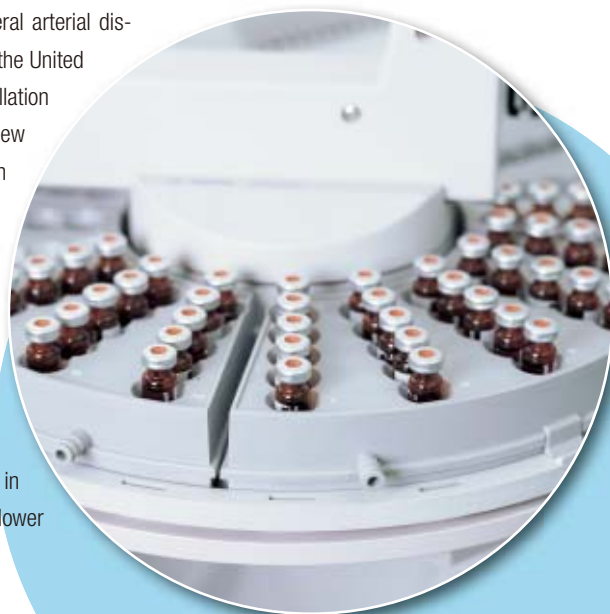
Pitavastatin calcium (LIVALO), a statin agent with a strong LDL cholesterol reduction effect for the indication of hyperlipidemia, was marketed in Japan in 2003. LIVALO was also introduced to South Korea in 2005, to Thailand in 2008 and to China in 2009. It was approved in the United States in 2009, and an application for approval has been filed in Europe.

Concerning the new drug development pipeline, a therapeutic agent for peripheral arterial disease (NM/NT/INDI-702) is in the process of clinical development in Japan and in the United States. Clinical development of a therapeutic and preventive drug for atrial fibrillation and flutter (NTC-801) started in 2007. Furthermore, clinical development of a new therapeutic agent for thrombocytopenia (NIP-022) started in the United States in 2009. Nissan Chemical continually engages in research and development for innovative medicines by using its strategic chemical library, state-of-the-art evaluation technology and precise organic synthesis technology.

### Business Performance

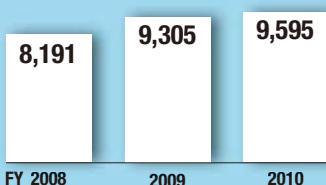
Shipments of bulk for LIVALO, a drug used to treat high cholesterol, were substantially higher, mainly because of growth in the number of prescriptions issued in Japan. However, license royalties relating to new drugs under development were lower year on year.

Total net sales in this segment were ¥290 million above the previous year's level at ¥9,595 million, while operating income declined by ¥47 million to ¥4,108 million. In the summer of 2009, we obtained approval from the Food and Drug Administration (FDA) for the sale of LIVALO in the United States, and last December agreement was reached on a collaborative sales arrangement with Kowa Company, Ltd. and Eli Lilly and Company, which is based in Indiana.

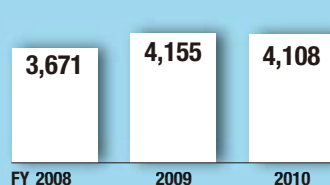




NET SALES (Millions of Yen)



OPERATING INCOME (Millions of Yen)



SALES RATIO BY SEGMENT

6.4%

## Main Products

### [LIVALO]

LIVALO is a statin agent with a strong LDL cholesterol reduction, which causes less drug-interactions. It is manufactured and distributed by Kowa Company, Ltd., and distributed by Kowa Pharmaceutical Co. Ltd. and Daiichi Sankyo Co., Ltd. in Japan. In South Korea, it is licensed to Choongwae Pharma Corporation. This agent is recognized as one of the new-generation of statins, "Strong statins" in clinical practice. It has also been introduced to Asian countries, such as South Korea, Thailand and China, and was approved in the United States in 2009. Furthermore, an application for approval has been filed in Europe, and we have also prepared for application in Canada. Applications are also under development in other areas, including Taiwan and Indonesia.



### [LANDEL]

LANDEL is a dual type Ca antagonist that blocks not only L-type calcium channels but also T-type ones. It is distributed by Zeria Pharmaceutical Co., Ltd. and Shionogi & Co., Ltd. in Japan. This agent shows beneficial effects for hypertension and angina pectoris. In addition, the agent is expected to show renal protective and cardioprotective effects.



### [NT/NM/INDI-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. in Japan. Clinical trials not only for intermittent claudication associated with peripheral arterial disease but also asthma and spinal canal stenosis are under way. We have entered a license agreement with Indigo Pharmaceuticals, Inc. (INDIGO), and have granted INDIGO exclusive development and marketing rights worldwide, except in Japan, South Korea, China and Taiwan. INDIGO is preparing to begin Phase III clinical trials for intermittent claudication.



### [NTC-801]

NTC-801 is a new antiarrhythmic agent that inhibits the acetylcholine-activated potassium channel current (IKAch). Because IKACH channel activity is apparent in the atria but not in the ventricle, NTC-801 has the potential to be an atrial selective agent for the treatment of atrial fibrillation. In Japan, NTC-801 is currently under Phase II clinical development with Teijin Pharma Limited. Outside of Japan, we have executed a licensing agreement with Bristol-Myers Squibb Company, and have granted Bristol-Myers Squibb exclusive development and marketing rights worldwide, except in Japan.

### [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. A Phase I clinical trial is currently conducted in the United States by Ono (Ono's development code: ONO-7746).

# OTHER BUSINESSES

NET SALES (Millions of Yen)



OPERATING INCOME (Millions of Yen)



SALES RATIO BY SEGMENT

**6.8%**

## Business Performance

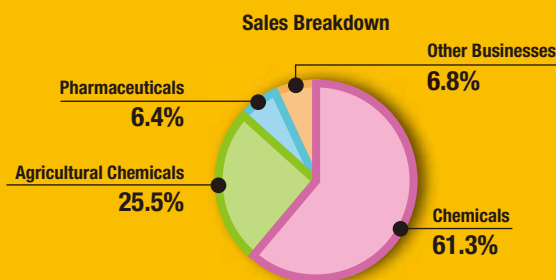
We faced a challenging business environment, including lower order volumes and unit prices for environmental surveys, logistics and other services. However, although sales were ¥38 million lower year on year at ¥10,149 million, we were able to increase operating income by ¥336 million to ¥632 million, in part through cost reductions.





# REVIEW OF OPERATIONS

## OVERVIEW OF SEGMENTS



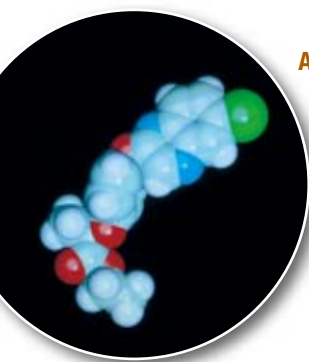
	Main Products	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)																
<b>Chemicals</b>	<p><b>Basic chemicals</b> —Melamine, Ammonia derivatives, AdBlue</p> <p><b>Organic/Inorganic materials</b> —TEPIC, SNOWTEX, FINETECH</p> <p><b>Electronic materials</b> —SUNEVER, BARC, SNOWTEX, TEPIC</p>	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Net Sales</td><td>112,345</td><td>100,356</td><td>91,379</td></tr> </table>	Fiscal Year	2008	2009	2010	Net Sales	112,345	100,356	91,379	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Operating Income</td><td>16,755</td><td>8,577</td><td>10,026</td></tr> </table>	Fiscal Year	2008	2009	2010	Operating Income	16,755	8,577	10,026
Fiscal Year	2008	2009	2010																
Net Sales	112,345	100,356	91,379																
Fiscal Year	2008	2009	2010																
Operating Income	16,755	8,577	10,026																
<b>Agricultural Chemicals</b>	<p><b>Herbicides</b> —SIRIUS, TARGA, PERMIT, ROUNDUP</p> <p><b>Insecticides</b> —SANMITE, MITO-KOHNE, STARMITE</p> <p><b>Fungicide</b> —LEIMAY, IKARUGA</p>	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Net Sales</td><td>36,366</td><td>40,314</td><td>37,914</td></tr> </table>	Fiscal Year	2008	2009	2010	Net Sales	36,366	40,314	37,914	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Operating Income</td><td>4,039</td><td>4,878</td><td>4,431</td></tr> </table>	Fiscal Year	2008	2009	2010	Operating Income	4,039	4,878	4,431
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Net Sales	36,366	40,314	37,914																
Fiscal Year	2008	2009	2010																
Operating Income	4,039	4,878	4,431																
<b>Pharmaceuticals</b>	<p><b>Anti-hyperlipidemic agent</b> —LIVALO</p> <p><b>Anti-hypertensive agent</b> —LANDEL</p>	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Net Sales</td><td>8,191</td><td>9,305</td><td>9,595</td></tr> </table>	Fiscal Year	2008	2009	2010	Net Sales	8,191	9,305	9,595	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Operating Income</td><td>3,671</td><td>4,155</td><td>4,108</td></tr> </table>	Fiscal Year	2008	2009	2010	Operating Income	3,671	4,155	4,108
Fiscal Year	2008	2009	2010																
Net Sales	8,191	9,305	9,595																
Fiscal Year	2008	2009	2010																
Operating Income	3,671	4,155	4,108																
<b>Other Businesses</b>	<p><b>Landscaping</b></p> <p><b>Environmental analysis</b></p> <p><b>Transportation</b></p> <p><b>Insurance agency</b></p> <p><b>Real estate rental</b></p>	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Net Sales</td><td>12,270</td><td>10,187</td><td>10,149</td></tr> </table>	Fiscal Year	2008	2009	2010	Net Sales	12,270	10,187	10,149	<table border="1"> <tr><th>Fiscal Year</th><th>2008</th><th>2009</th><th>2010</th></tr> <tr><td>Operating Income</td><td>437</td><td>296</td><td>632</td></tr> </table>	Fiscal Year	2008	2009	2010	Operating Income	437	296	632
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Net Sales	12,270	10,187	10,149																
Fiscal Year	2008	2009	2010																
Operating Income	437	296	632																



### RESEARCH AND DEVELOPMENT AREA

**Research and Development (R&D) has been positioned as Nissan Chemical's key driver of business growth. The Company has successfully developed unique and excellent technology and delivered a variety of high value-added products into the market.**

**As a value creation company, we will promote the creation of specialty products that are full of originality to satisfy our customers' needs, and continue pursuing our Dream of Chemicals.**



### Chemicals

Nissan Chemical has produced a variety of unique products in a wide range of areas, including SUNEVER, a polyimide for display materials; BARC, a bottom anti-reflective coating for semiconductor materials, high-purity chemicals for electronic materials; SNOWTEX, a surface treatment agent for various materials; TEPIC, a specialty epoxy and Prostaglandin derivatives, pharmaceutical intermediates.

We have been promoting R&D utilizing the unique technology we have accumulated, including fine organic synthesis, ultrafine particle control and functional polymers. We combine these with evaluation technology for a variety of applications. We will continue to work on research for the development of higher-function products with an emphasis on the electronic materials, energy and environmental areas that are growing well.

In addition, we have initiated collaborative research in the area of fine nanoparticles with Kyushu University, the largest scale application of organizational collaboration with an individual corporation.

### Agricultural Chemicals

As a result of our R&D, we have created the herbicides TARGA, SIRIUS and PERMIT, and the acaricide SANMITE, which are all significant contributions to the world agricultural industry. In 2008–09, the new fungicide LEIMAY and acaricide STARMITE were launched. Additionally, we are advancing research on the effects, safety and manufacture of active ingredients for promising new chemicals.

We will put our efforts into the creation of new agricultural chemicals that are active, safe and pose less of an environmental load for a wide range of major world crops while quickly responding to the market needs and the environmental changes in the agricultural industry.

### Pharmaceuticals

With a focus on new drug development to meet the needs of an aging society, the Company introduced its first new medicine, efonidipine hydrochloride (LANDEL), a Ca antagonist targeting hypertension, in 1994, and pitavastatin calcium (LIVALO), a statin agent with a strong LDL cholesterol reduction targeting hyperlipidemia, was introduced to the Japanese market in 2003. LIVALO has also been introduced to Asian countries, such as South Korea, Thailand and China, and was approved in the United States in 2009. Furthermore, an application for approval has been filed in Europe.

Concerning the new drug development pipeline, a therapeutic drug for peripheral arterial disease (NM/NT/INDI-702) and a therapeutic and preventive drug for atrial fibrillation and flutter (NTC-801) are in the process of clinical development in Japan and the United States. In 2009, clinical development of a new therapeutic agent for thrombocytopenia (NIP-022) started in the United States.

Nissan Chemical continually engages in research and development for innovative medicines by using its strategic chemical library, state-of-the-art evaluation technology and precise organic synthesis technology.

### RESEARCH AND DEVELOPMENT BASES

**With the goal of becoming a distinctive Value Creation Enterprise, our corporation continues unique R&D activities at our four domestic bases, while simultaneously developing collaborative research and/or technical collaboration with domestic and overseas universities, public research institutions as well as corporations.**

**In addition, product planning and experimental research has been carried out globally at an agricultural chemicals testing farm in Indiana, the United States, and through other joint ventures.**

### Chemical Research Laboratories

Chemical Research Laboratories have become general research and development bases committed to the search for new products, the development of new agricultural chemicals and pharmaceuticals, pharmaceutical intermediates and active ingredients, special organic materials, synthetic studies and process development for high-polymer material intermediates and material analysis research based on organic synthesis expertise accumulated over years.

We are promoting new product and technology development based on close cooperation with other laboratories and the technology divisions of affiliated plants.



### Electronic Materials Research Laboratories

Electronic Materials Research Laboratories are carrying out research on the next generation of recording and optical networking materials along with R&D on display and semiconductor materials.



We are presently researching alignment coating for LCD panels using our unique polyimide, anti-reflective coatings used in the photolithography process, and inorganic coatings formed through the sol-gel process.



In 2002, an electronic material research building, complete with a class 1 clean room and advanced evaluation equipment, was completed at the Toyama Factory for the purpose of accelerating product development for next-generation semiconductor materials. In the spring of 2007, we completed a new research facility for electronic materials in Funabashi City, Chiba Prefecture. The advanced equipment in this facility is used mainly in the development of display-related products.

### Specialty Materials Research Laboratories

We are promoting R&D on inorganic materials at the Sodegaura Plant and organic materials at the Chemical Research Laboratories.

In the inorganic materials area, we are putting our efforts into manufacturing metal-oxide sol, developmental research for its use, including silicasol utilizing super fine particle control technology, and developmental research on abrading agents and inorganic electrical conducting material research based on these sol. In addition, in the area of organic materials, we are promoting developmental research on the manu-



facturing and use of epoxy resin reforming agents and cross-linking agents for fine particle coatings.

### Biological Research Laboratories

Biological Research Laboratories are conducting research on drug efficacy evaluation, safety evaluation and environmental analysis for agricultural chemicals and pharmaceuticals.

In the agricultural chemicals area, we are conducting research on commercialization, including existing active ingredients and active ingredients to be introduced paying attention to user requirements and the direction of the market along with the discovery of new agricultural chemicals that are eco-friendly with high efficacy and safety through the main research mentioned above. We are promoting new chemical evaluation focused on the research field overseas in Indiana in the United States and a joint venture with the Philagro France research center.



In the pharmaceutical area, we are working toward the discovery of therapeutic agents that are gentle to the human body by carrying out pharmacological tests from the genetic level to pathological models, safety and ADME testing.

## FIVE-YEAR SUMMARY

Consolidated	Millions of Yen				
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Net sales	¥ 169,150	¥ 174,351	¥ 169,172	¥ 160,162	¥ 149,037
Operating income	21,655	20,845	24,768	17,437	19,151
Net income	13,704	13,993	15,503	10,053	12,751
Total assets	183,202	177,337	172,660	172,344	181,389
Equity	91,954	98,102	100,064	95,672	106,516
Capital expenditure	9,231	12,070	10,913	13,940	10,060
Depreciation expense	9,877	9,694	9,731	10,206	10,994
Amounts per share (in yen):					
Net income per share	¥ 72.73	¥ 75.43	¥ 85.15	¥ 57.26	¥ 74.00
Equity per share	491.50	535.29	556.63	555.14	618.23
Financial ratios (%):					
Equity ratio	50.2	55.3	58.0	55.5	58.7
Return on equity	16.1	14.7	15.6	10.3	12.6
<b>Non-Consolidated</b>					
Net sales	¥ 110,019	¥ 114,352	¥ 123,937	¥ 117,797	¥ 110,993
Operating income	18,592	18,747	21,642	13,935	15,912
Net income	12,277	11,928	13,927	7,957	10,435
Total assets	145,157	154,642	151,991	150,488	160,288
Equity	85,692	89,512	90,873	85,632	93,835
Amounts per share (in yen):					
Net income per share	¥ 65.23	¥ 64.30	¥ 76.49	¥ 45.32	¥ 60.56
Equity per share	458.12	488.42	505.51	496.88	544.63
Cash dividends per share	15.0	20.0	20.0	22.0	24.0
Financial ratios (%):					
Equity ratio	59.0	57.9	59.8	56.9	58.5
Year-end statistics:					
Number of shareholders	14,300	14,981	14,516	14,651	13,801
Number of employees	1,502	1,558	1,614	1,657	1,710

# FINANCIAL REVIEW

Financial Review for the Year Ended March 31, 2010

## Overview

In the year ended March 31, 2010, there was a dramatic recovery in export demand in China and other emerging markets. This factor, combined with the underpinning effect of economic stimulus initiatives by the Japanese government, produced signs that the domestic economy was starting to bottom out. However, with employment conditions still difficult, consumers remained price-conscious, and the deflationary trend continued unabated. There was also a tendency for businesses to reduce their capital investment. This situation was reflected in continuing uncertainty about the economic outlook.

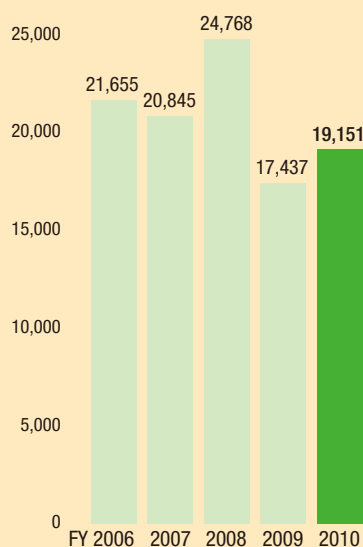
There was growth in sales of some key products in the area of electronic materials, including SUNEVER, a polyimide used in liquid crystal displays, and BARC, a bottom anti-reflective coating for semiconductors. However, total net sales in the Chemicals

business fell below the previous year's level due to the challenging business environment. Net sales were also lower in the Agricultural Chemicals business, in part because of reduced sales of ROUNDUP, a nonselective herbicide that works through leaves and stems. Higher bulk shipments for LIVALO, a drug used to treat high cholesterol, helped to lift net sales in the Pharmaceuticals business.

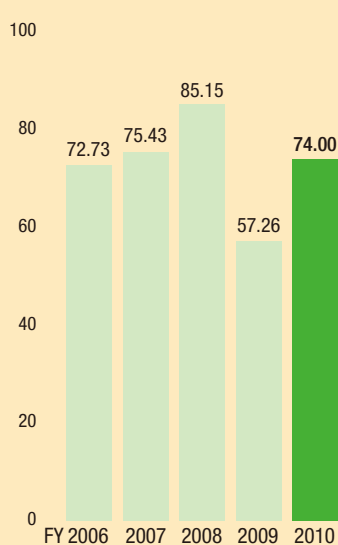
## Operating Results

Net sales in the year ended March 31, 2010 amounted to ¥149,037 million, a year-on-year decline of ¥11,125 million, or 6.9%. However, income results were higher, with ordinary income rising by ¥2,351 million, or 13.9%, to ¥19,241 million, and net income by ¥2,699 million, or 26.8%, to ¥12,751 million.

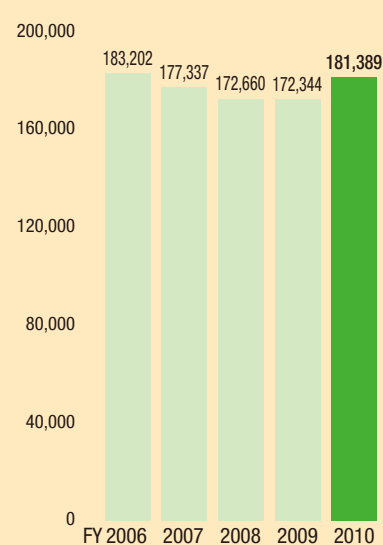
Operating Income (Millions of Yen)



Net Income per Share (Yen)



Total Assets (Millions of Yen)





### Financial Position

As of March 31, 2010, total assets amounted to ¥181,389 million, an increase of ¥9,044 million from the position at the end of the previous year. This change reflects higher figures for cash and deposits, trade receivables, intangible fixed assets and investment securities. Total liabilities were ¥1,832 million below the level a year earlier at ¥73,735 million, in part because of reductions in the balance of interest-bearing liabilities. Net assets increased by ¥10,876 million year on year to ¥107,654 million. As a result, the shareholders' equity ratio increased by 3.2 percentage points to 58.7%.

### Cash Flow Analysis

Net cash provided by operating activities in the current fiscal year amounted to ¥26,575 million. This figure was calculated by

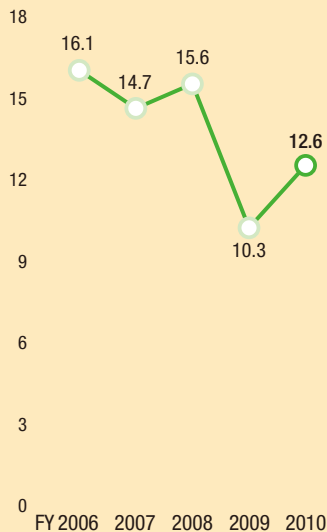
deducting tax payments from the sum of increases and decreases in net income before income taxes and minority interests, depreciation and operating capital.

Net cash used for investing activities totaled ¥15,416 million. This figure consists mainly of capital expenditures in the Chemical business.

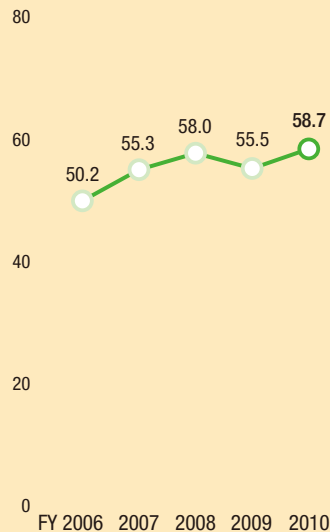
Net cash used for financing activities was ¥6,198 million. This total is made up of dividend payments and the retirement of debt.

In addition to ¥161 million from exchange rate adjustments, cash and cash equivalents increased by ¥5,122 million from the position at the end of the previous year. A ¥32 million reduction resulting from the removal of one consolidated subsidiary from the consolidation left cash and cash equivalents at ¥14,762 million as of March 31, 2010.

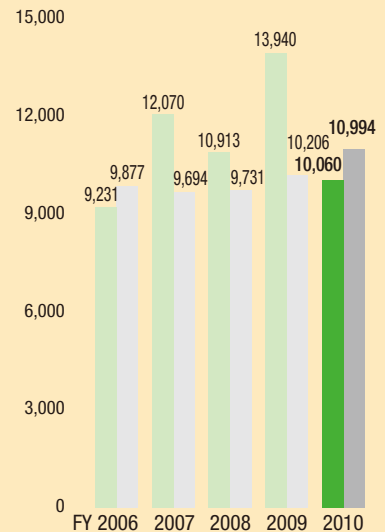
Return on Equity (%)



Equity Ratio (%)



Capital Expenditures/  
Depreciation Expense (Millions of Yen)



## CONSOLIDATED BALANCE SHEETS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2010 and 2009

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	FY 2010	FY 2009	FY 2010
<b>Current assets:</b>			
Cash and time deposits	¥ 14,762	¥ 9,672	\$ 158,666
Notes and accounts receivable:			
Trade	53,901	51,262	579,332
Less allowance for doubtful receivables	(12)	(19)	(127)
Inventories (Note 6)	30,746	30,948	330,463
Deferred taxes—current	2,830	2,322	30,421
Other current assets	3,804	4,309	40,875
<b>Total current assets</b>	<b>106,031</b>	<b>98,494</b>	<b>1,139,630</b>
<b>Investments and advances:</b>			
Investment in securities (Note 5)	15,966	12,788	171,601
Investments in and advances to non-consolidated subsidiaries and affiliates	5,563	5,391	59,795
Long-term loans	56	68	603
Other investments	1,107	1,192	11,887
Less allowance for doubtful receivables	(258)	(257)	(2,768)
<b>Total investments and advances</b>	<b>22,434</b>	<b>19,182</b>	<b>241,118</b>
<b>Property, plant and equipment, at cost (Note 7):</b>			
Land	9,575	9,602	102,918
Buildings and structures	47,000	45,560	505,164
Machinery and equipment	123,446	120,459	1,326,804
Leased assets	30	23	323
Construction in progress	671	3,736	7,213
Less accumulated depreciation	(133,869)	(127,721)	(1,438,848)
<b>Total property, plant and equipment</b>	<b>46,853</b>	<b>51,659</b>	<b>503,574</b>
<b>Other assets</b>			
Deferred taxes—non-current	230	1,101	2,473
Intangible assets	4,139	812	44,488
Other	1,702	1,096	18,296
<b>Total assets</b>	<b>¥ 181,389</b>	<b>¥ 172,344</b>	<b>\$ 1,949,579</b>

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	FY 2010	FY 2009	FY 2010
<b>Current liabilities</b>			
Short-term bank loans (Note 8)	¥ 15,476	¥ 17,493	\$ 166,339
Current portion of long-term debt (Note 11)	8,110	8,327	87,172
Notes and accounts payable:			
Trade	14,849	13,426	159,603
Construction	1,396	5,698	14,999
Accrued income taxes	4,190	549	45,033
Accrued expenses and other current liabilities (Note 10)	8,595	7,612	92,377
Deferred taxes—current	—	3	—
<b>Total current liabilities</b>	<b>52,616</b>	<b>53,108</b>	<b>565,523</b>
<b>Long-term liabilities</b>			
Long-term debt (Note 11)	18,540	19,649	199,269
Accrued retirement benefits	545	611	5,862
Other long-term liabilities	2,034	2,199	21,858
<b>Total long-term liabilities</b>	<b>21,119</b>	<b>22,459</b>	<b>226,989</b>
<b>Contingent liabilities (Note 13)</b>			
<b>Net assets</b>			
<b>Shareholders' equity</b>	<b>18,942</b>	<b>18,942</b>	<b>203,591</b>
Common stock ¥50 par value:			
Authorized—360,000,000 shares:			
Issued and outstanding—174,000,000 shares			
Additional paid-in capital	13,612	13,612	146,299
Retained earnings	74,750	65,714	803,415
Treasury stock, at cost	(1,933)	(1,876)	(20,780)
<b>Valuation and translation adjustments</b>			
Valuation gain of investment securities after tax-effect	1,881	470	20,218
Adjustments on foreign currency statement translation	(735)	(1,190)	(7,900)
<b>Minority interests</b>	<b>1,137</b>	<b>1,105</b>	<b>12,224</b>
<b>Total net assets</b>	<b>107,654</b>	<b>96,777</b>	<b>1,157,067</b>
<b>Total liabilities and net assets</b>	<b>¥ 181,389</b>	<b>¥ 172,344</b>	<b>\$1,949,579</b>

# CONSOLIDATED STATEMENTS OF INCOME

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	FY 2010	FY 2009	FY 2010
Net sales	¥ 149,037	¥ 160,162	\$1,601,857
Cost of sales	95,347	107,249	1,024,794
Gross profit	53,690	52,913	577,063
Selling, general and administrative expenses	34,539	35,476	371,227
Operating income	19,151	17,437	205,836
Other income (expense):			
Interest and dividend income	624	630	6,704
Interest expenses	(601)	(655)	(6,457)
Write-down of marketable and investment securities	(347)	(1,410)	(3,725)
Loss on disposal of property, plant and equipment	(279)	(707)	(2,995)
Equity in earnings of non-consolidated subsidiaries and affiliates	270	356	2,898
Other, net	(136)	(171)	(1,468)
Income before income taxes	18,682	15,480	200,793
Income taxes (Note 9):			
Current	6,479	4,934	69,633
Deferred	(652)	308	(7,008)
Minority interests in consolidated subsidiaries	(104)	(185)	(1,115)
Net income	¥ 12,751	¥ 10,053	\$ 137,053

## CONSOLIDATED STATEMENTS OF NET ASSETS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2010 and 2009

	Millions of Yen							
	Number of shares of common stock (thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Valuation gain of investment securities after tax-effect	Adjustments on foreign currency statement translation	Minority interests
Balance at March 31, 2008	181,000	¥18,942	¥13,612	¥67,516	¥(1,744)	¥ 1,821	¥ (83)	¥1,143
Net income				10,053				
Cash dividends paid				(3,911)				
Treasury stock acquired					(8,103)			
Disposal of treasury stock	(7,000)			(7,944)	7,971			
Other						(1,351)	(1,107)	(38)
Balance at March 31, 2009	174,000	18,942	13,612	65,714	(1,876)	470	(1,190)	1,105
Net income				12,751				
Increase due to changes in scope of equity method				1				
Cash dividends paid				(3,447)				
Treasury stock acquired					(63)			
Disposal of treasury stock				0	6			
Decrease due to exclusion from consolidation				(269)				
Other						1,411	455	32
Balance at March 31, 2010	174,000	¥18,942	¥13,612	¥74,750	¥(1,933)	¥ 1,881	¥ (735)	¥1,137

	Thousands of U.S. Dollars (Note 3)							
	Number of shares of common stock (thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Valuation gain of investment securities after tax-effect	Adjustments on foreign currency statement translation	Minority interests
Balance at March 31, 2009	174,000	\$203,591	\$146,299	\$706,297	\$(20,160)	\$ 5,052	\$(12,785)	\$11,872
Net income				137,053				
Increase due to changes in scope of equity method				5				
Cash dividends paid				(37,044)				
Treasury stock acquired					(678)			
Disposal of treasury stock				(3)	58			
Decrease due to exclusion from consolidation				(2,893)				
Other						15,166	4,885	352
Balance at March 31, 2010	174,000	\$203,591	\$146,299	\$803,415	\$(20,780)	\$20,218	\$ (7,900)	\$12,224

The accompanying notes are an integral part of these statements.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Nissan Chemical Industries, Ltd. and its Consolidated Subsidiaries  
Years ended March 31, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	FY 2010	FY 2009	FY 2010
<b>Cash flows from operating activities:</b>			
Net income	¥ 12,751	¥ 10,053	\$ 137,053
Depreciation	10,994	10,206	118,160
Decrease in accrued retirement benefits	17	127	181
Loss on disposal of property, plant and equipment	279	707	2,995
Increase (decrease) in allowance for doubtful accounts	0	(81)	(5)
Increase (decrease) in reserve for bonuses	(28)	84	(299)
Deferred income taxes	(652)	308	(7,007)
Increase (decrease) in notes and accounts receivable	(3,402)	6,596	(36,564)
Increase (decrease) in inventories	90	(4,635)	968
Increase (decrease) in other current assets	1,252	(1,093)	13,459
Increase (decrease) in notes and accounts payable	1,626	(5,300)	17,479
Increase (decrease) in accrued expenses and other	(169)	377	(1,820)
Increase (decrease) in other current liabilities	180	(113)	1,935
Other, net	3,637	(2,601)	39,098
Net cash provided by operating activities	<b>26,575</b>	14,635	<b>285,633</b>
<b>Cash flows from investing activities:</b>			
Payments for purchase of property, plant and equipment	(10,603)	(10,360)	(113,961)
Proceeds from sale of property, plant and equipment	181	36	1,949
Payments for purchase of intangible assets	(3,760)	(331)	(40,408)
Proceeds from sale of investments in securities	2,041	2,355	21,938
Payments for purchase of investments in securities	(3,148)	(1,272)	(33,835)
Other, net	(127)	(1,469)	(1,378)
Net cash used in investing activities	<b>(15,416)</b>	(11,041)	<b>(165,695)</b>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term bank loans	(1,359)	8,537	(14,604)
Increase in long-term debt	(1,329)	2,706	(14,287)
Cash dividends paid	(3,447)	(3,911)	(37,044)
Other, net	(63)	(8,162)	(683)
Net cash provided by financing activities	<b>(6,198)</b>	(830)	<b>(66,618)</b>
Effect of exchange rate changes on cash	161	(731)	1,730
Net increase (decrease) in cash and cash equivalents	5,122	2,033	55,050
Cash and cash equivalents at beginning of year	9,672	7,639	103,954
Decrease in cash and cash equivalents resulting from changes in the number of consolidated subsidiaries	(32)	—	(338)
Cash and cash equivalents at end of year	<b>¥ 14,762</b>	¥ 9,672	<b>\$ 158,666</b>
<b>Supplemental data:</b>			
Cash paid during the year for —			
Income taxes	¥ 2,698	¥ 9,920	\$ 29,003
Interest	608	635	6,536

The accompanying notes are an integral part of these statements.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Nissan Chemical Industries, Ltd. (the Company) and its consolidated subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles and practices generally accepted in Japan.

Overseas consolidated subsidiaries have prepared their financial statements in accordance with accounting practices prevailing in their respective countries.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Prime Minister as required by the Financial Instruments and Exchange Act of Japan and include certain additional financial information for the convenience of the reader.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Consolidation

The consolidated financial statements include the account of the Company and its significant 11 subsidiaries.

Investments in 2 affiliates (companies owned 20% to 50%) are accounted for by the equity method of accounting. The excess of cost over equity in net assets is amortized within twenty years. All significant inter-company accounts and transactions have been eliminated in consolidation. All material unrealized profits included in assets resulting from transactions within the Companies are eliminated.

At the board of directors meeting held on March 24, 2010, Nissan Chemical Industries, Ltd. resolved to dissolve its subsidiary Nissan Kenzai, Ltd. As a result, only the amount of profit and loss statement of Nissan Kenzai, Ltd. are reflected in fiscal 2010.

### b. Securities

Quoted securities—The market value method is applied, based on the market value as of the fiscal year end. The entire positive or negative valuation difference with the purchase price is booked directly as shareholder's equity, and the cost of securities sold is calculated using the moving average method.

Unquoted securities—Valued at cost using the moving average method.

Derivative financial instrument—Valued based on the market value of fiscal year end.

### c. Hedge accounting

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

#### 1) Hedge accounting method

Hedge accounts are stated in accordance with the deferred hedge accounting method.

Special treatment methods are applied for interest rate swap transactions, as the transactions meet the criteria for special treatments.

#### 2) Measures and object

Measures: Interest rate swap

Object: Borrowings

#### 3) Hedging policy

The Company and its consolidated subsidiaries hedge interest fluctuation risks in line with internal regulations.

### d. Allowance for doubtful accounts

To provide for losses on doubtful accounts, the Company recognizes amounts that it deems uncollectible on the basis of one of two standards: rates of actual default experienced, for accounts receivable generally; and consideration of the collectability of individual receivables, for specific receivables considered to be at risk of default.

### e. Inventories

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

### f. Property, plant and equipment

Property, plant and equipment is carried at cost. Depreciation of the Company and its consolidated domestic subsidiaries is calculated substantially by the declining balance method over the estimated lives of the respective assets. The straight-line method is principally applied to the property, plant and equipment of consolidated foreign subsidiaries.

Depreciation of buildings acquired on or after April 1, 1998 (except facilities attached to buildings) was calculated using the straight-line method. The basic acquisition value for property, plant and equipment was lowered from ¥200,000 to ¥100,000 and depreciation was carried out using a method in which equal amounts were written off over three years. In accordance with the revised Japanese Corporation Tax Law in fiscal 2007, the Company and its domestic consolidated subsidiaries changed the depreciation expense of property, plant and equipment acquired on or after April 1, 2007. In accordance with the revised Japanese Corporation Tax Law in fiscal 2007, the Company and its domestic consolidated subsidiaries have adopted from current consolidated fiscal year the following method for depreciating the residual book value of property, plant and equipment acquired on before March 31, 2007 that had been fully depreciated to the limit prescribed in the previous corporate tax code. This method is to depreciate the residual book value of these assets in equal amounts over a five-year period.

#### **g. Provision for retirement benefits**

To provide for future retirement benefits of its employees, the group recognized allowances that are deemed to have accrued as of the consolidated period to March 2010, based on estimates of retirement benefit liabilities and pension assets as of the end of the same period.

#### **h. Translation of foreign currency**

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate of the balance sheet date, and revenues and expenses are translated at the average rate in effect during the year. The translation difference is shown as the adjustments on foreign currency statement translations in the shareholders' equity.

Financial statements of foreign subsidiaries are translated into Japanese yen at the exchange rates effective at the relevant year-end, since their aggregate net income is not significant in relation to the consolidated total.

#### **i. Pension plan**

The Company and its domestic subsidiaries have qualified pension plans covering all of the employees, which was mainly renewed as of October 1, 2009.

The assets of the pension plan were ¥14,203 million (\$152,650 thousand) and ¥12,814 million (\$130,411 thousand) at March 31, 2010 and 2009.

Total pension expense, including amortization of prior service cost, amounted to approximately ¥1,543 million (\$16,583 thousand) and ¥1,515 million (\$15,415 thousand) in March 31, 2010 and 2009.

#### **j. Income taxes**

Income taxes are provided on the basis of the amounts payable as indicated in the Company's and its subsidiaries' tax returns. From April 1, 1999, tax effect on timing differences between financial and tax reporting purposes is recorded.

#### **k. Appropriation of retained earnings**

Under the Companies Act of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent at the close of such a financial year.

The accounts for that year do not, therefore, reflect such appropriation.

#### **l. 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.

#### **m. Cash and cash equivalents**

The Company and its consolidated subsidiaries consider all highly liquid investments generally with a maturity of three months or less when purchased to be cash equivalents.

### 3. U.S. DOLLAR AMOUNTS

The Company and its domestic consolidated subsidiaries maintain their accounting records in Japanese yen. The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of ¥93.04 to U.S. \$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market at the end of March 2010.

This translation should not be construed as a representation that the yen amounts actually represent or have been or could be converted into U.S. dollars at this or at any other rate.

### 4. CHANGE IN ACCOUNTING POLICY

#### Completed-contract method, percentage-of-completion method

Effective April 1, 2009, the Company and its domestic subsidiaries adopted ASBJ Statement No. 15, "Accounting Standard for Construction Contracts" and its Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts", issued on December 27, 2007. Prior to April 1, 2009, the Company and its domestic subsidiaries applied the completed-contract method for recognizing revenues and costs from long-term construction contracts. Under ASBJ Statement No. 15 and its Guidance No. 18, the percentage-of-completion method is applied if the outcome of the construction activity can be accurately estimated during the course of the activity during the quarterly period, otherwise the completed-contract method shall be applied. The percentage of completion at the end of each quarterly period is estimated based on the percentage of the cost incurred to the estimated total cost. The adoption of these standards did not have a material effect on Nissan Chemical's financial results for the year ended March 31, 2010.

### 5. INVESTMENTS IN SECURITIES

Investments in securities at March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Listed securities	¥ 12,234	¥ 10,167	\$ 131,494
Other marketable securities	3,732	2,621	40,107
	¥ 15,966	¥ 12,788	\$ 171,601

### 6. INVENTORIES

Inventories at March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Finished products and merchandise	¥ 18,453	¥ 18,474	\$ 198,339
Work in process	6,739	6,395	72,434
Raw materials and supplies	5,544	5,754	59,584
Others	10	325	106
	¥ 30,746	¥ 30,948	\$ 330,463

Total cost of inventories held as of March 31, 2010 and 2009, did not exceed their net realizable values.

### 7. DEPRECIATION

Depreciation expense of property, plant and equipment for the years ended March 31, 2010 and 2009 amounted to ¥10,994 million (\$118,160 thousand) and ¥10,206 million (\$109,699 thousand), respectively.

### 8. SHORT-TERM BANK LOANS

Short-term bank loans are primarily unsecured and made overdraft, maturing generally within one year.

Interest rates applicable to the loans borrowed in Japan at March 31, 2010 and 2009 ranged principally from 0.75% to 0.96% and from 0.96% to 1.17%, respectively, and those in the USA at 1.55% and at 1.55%, respectively.

### 9. INCOME TAXES

Income taxes applicable to the Company and its subsidiaries for the two years ended March 31, 2010, comprised (a) corporation tax, (b) enterprise tax, and (c) resident's taxes, which resulted in a statutory tax rate of 40.69% for the year ended March 31, 2010.

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

## 10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

At March 31, 2010 and 2009 accrued expenses and other current liabilities consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Accrued bonuses	¥ 1,697	¥ 1,734	\$ 18,244
Accrued expenses	4,954	4,888	53,243
Other	1,944	990	20,891
	¥ 8,595	¥ 7,612	\$ 92,377

## 11. LONG-TERM DEBT

At March 31, 2010 and 2009 long-term debt consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
Unsecured loans from banks and others, at interest rates ranged 1.05% to 5.46%, maturing serially from 2010 through 2016	26,650	27,976	286,441
	26,650	27,976	286,441
Less current portion	(8,110)	(8,327)	(87,172)
	¥ 18,540	¥ 19,649	\$ 199,269

Long-term debt payments due after March 31, 2010 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2011	¥ 8,110	\$ 87,172
2012 and thereafter	18,540	199,269
	¥ 26,650	\$ 286,441

## 12. RETAINED EARNINGS (CONSOLIDATED)

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 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. The Company's equity in the legal reserve of its consolidated subsidiaries is included in retained earnings in the accompanying consolidated financial statement.

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.

## 13. CONTINGENT LIABILITIES

At March 31, 2010 and 2009, the Company and its subsidiaries had the following contingent liabilities:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	2010
As guarantor of indebtedness of non-consolidated subsidiaries, affiliates and others	¥ 68	¥ 108	\$ 732

## 14. 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.

Net assets per share is based on the number of shares outstanding at year-end.

Amounts per share of net income and cash dividends for the year ended March 31, 2010 and 2009, were as follows:

	Yen		U.S. Dollars
	2010	2009	2010
Net income	¥ 74.00	¥ 57.26	\$ 0.795
Cash dividends	¥ 24.00	¥ 22.00	\$ 0.258

## 15. SEGMENT INFORMATION

The operations of the Company and its consolidated subsidiaries for the years ended March 31, 2010 and 2009 were summarized by industry segment as follows:

Millions of Yen						
Year ended March 31, 2010	Chemicals	Agricultural chemicals	Pharmaceuticals	Other businesses	Elimination and corporate assets	Consolidated
Sales						
Outside customers	¥ 91,379	¥ 37,914	¥ 9,595	¥ 10,149	¥ —	¥ 149,037
Inter-segment	1,175	131	—	13,560	(14,866)	—
Sub-total	92,554	38,045	9,595	23,709	(14,866)	149,037
Operating costs and expenses	82,528	33,613	5,487	23,077	(14,819)	129,886
Operating income	¥ 10,026	¥ 4,432	¥ 4,108	¥ 632	¥ (47)	¥ 19,151
Identifiable assets	¥ 115,884	¥ 53,703	¥ 7,441	¥ 12,196	¥ (7,835)	¥ 181,389
Depreciation and amortization	8,603	1,713	253	425	—	10,994
Capital expenditures	5,345	4,092	259	364	—	10,060

Millions of Yen						
Year ended March 31, 2009	Chemicals	Agricultural chemicals	Pharmaceuticals	Other businesses	Elimination and corporate assets	Consolidated
Sales						
Outside customers	¥ 100,356	¥ 40,314	¥ 9,305	¥ 10,187	¥ —	¥ 160,162
Inter-segment	1,752	153	—	13,359	(15,264)	—
Sub-total	102,108	40,467	9,305	23,546	(15,264)	160,162
Operating costs and expenses	93,531	35,589	5,150	23,250	(14,795)	142,725
Operating income	¥ 8,577	¥ 4,878	¥ 4,155	¥ 296	¥ (469)	¥ 17,437
Identifiable assets	¥ 110,581	¥ 51,428	¥ 6,524	¥ 12,584	¥ (8,773)	¥ 172,344
Depreciation and amortization	8,026	1,476	269	435	—	10,206
Capital expenditures	10,966	2,314	223	437	—	13,940

Thousands of U.S. Dollars						
Year ended March 31, 2010	Chemicals	Agricultural chemicals	Pharmaceuticals	Other businesses	Elimination and corporate assets	Consolidated
Sales						
Outside customers	\$ 982,145	\$ 407,505	\$ 103,124	\$ 109,083	\$ —	\$ 1,601,857
Inter-segment	12,626	1,402	—	145,745	(159,773)	—
Sub-total	994,771	408,907	103,124	254,828	(159,773)	1,601,857
Operating costs and expenses	887,013	361,276	58,966	248,031	(159,265)	1,396,021
Operating income	\$ 107,758	\$ 47,631	\$ 44,158	\$ 6,797	\$ (508)	\$ 205,836
Identifiable assets	\$ 1,245,524	\$ 577,209	\$ 79,971	\$ 131,083	\$ (84,208)	\$ 1,949,579
Depreciation and amortization	92,466	18,412	2,713	4,569	—	118,160
Capital expenditures	57,444	43,978	2,790	3,911	—	108,123

Overseas operations, which represent sales to customers outside of Japan of the Company and its consolidated subsidiaries for the years ended March 31, 2010 and 2009, were as follows:

Millions of Yen					
	Asia	Others	Total	Consolidated net sales	Weight of overseas net sales
Year ended March 31, 2010	¥ 34,225	¥ 7,150	¥ 41,375	¥ 149,037	27.8
Year ended March 31, 2009	30,631	10,179	40,810	160,162	25.5

Thousands of U.S. Dollars					
	Asia	Others	Total	Consolidated net sales	
Year ended March 31, 2010	\$ 367,850	\$ 76,854	\$ 444,704	\$ 1,601,857	

Division of region is decided by geographical proximity.

Major regions in the respective divisions:

- (a) Asia: Asia, Oceania
- (b) Others: North America, Latin America, Europe, Africa

## 16. SUBSEQUENT EVENT

The following appropriation of retained earnings was approved at the shareholders' meeting held on June 25, 2010:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends (¥14.00=\$0.150 per share)	¥ 2,412	\$ 25,924



## 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  
Nissan Chemical Industries, Ltd.

We have audited the accompanying consolidated balance sheets of Nissan Chemical Industries, Ltd. and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

We have also reviewed the translation the 2010 financial statements into U.S. dollars on the basis described in Note 3.

In our opinion, such statements have been properly translated on such basis.



Yaesu Audit Company

Tokyo, Japan  
June 21, 2010

## CORPORATE PROFILE

<b>Corporate Name</b>	Nissan Chemical Industries, Ltd.
<b>Head Office</b>	7-1, Kanda Nishiki-cho 3-chome, Chiyoda-ku, Tokyo 101-0054, Japan TEL: 03-3296-8111
<b>Founded</b>	1887
<b>Common Stock</b>	174,000,000 shares ¥18,942 million
<b>Number of Shareholders</b>	13,801
<b>Number of Employees</b>	1,710
<b>Stock Listing</b>	Tokyo Stock Exchange
<b>Transfer Agent</b>	The Chuo Mitsui Trust and Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan

### Board of Directors and Corporate Auditors

<b>Chairman</b>	Nobuichiro Fujimoto
<b>President</b>	Kojiro Kinoshita
<b>Vice President</b>	Ryozo Sakoda
<b>Senior Managing Directors</b>	Yutaka Niitsu Suketoshi Tsukamoto
<b>Managing Directors</b>	Shin-ichi Yuki Jun-ichi Miyazaki Kiminori Hirata
<b>Directors</b>	Hiroyoshi Fukuro Misao Miyamoto Kazuhiro Yagisawa Toyaji Koinuma Mitsuaki Sakashita Takami Ohno Tsuneo Higuchi Ken Iwase Ken-ichiro Sakurada Katsuaki Miyaji
<b>Corporate Auditors</b>	Katsumi Akita Shiro Kamaki Sumio Kondo Tisato Kajiyama

# DIRECTORY OF NISSAN CHEMICAL

## Offices

### Head Office

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

### Sapporo Sales Office

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

### Sendai Sales Office

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

### Nagoya Sales Office

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

### Osaka Sales Office

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

### Fukuoka Sales Office

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

## Plants

### Sodegaura Plant

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

### Sodegaura Plant Goi Works

12-17, Goiminami Kaigan, Ichihara, Chiba 299-0045  
Tel: 0436-22-2110

### Saitama Plant

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

### Toyama Plant

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

### Nagoya Plant

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

### Onoda Plant

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

## Laboratories

### Chemical Research Laboratories

722, Tsuboi-cho, Funabashi, Chiba 274-8507  
Tel: 0474-65-1112

### Electronic Materials Research Laboratories

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

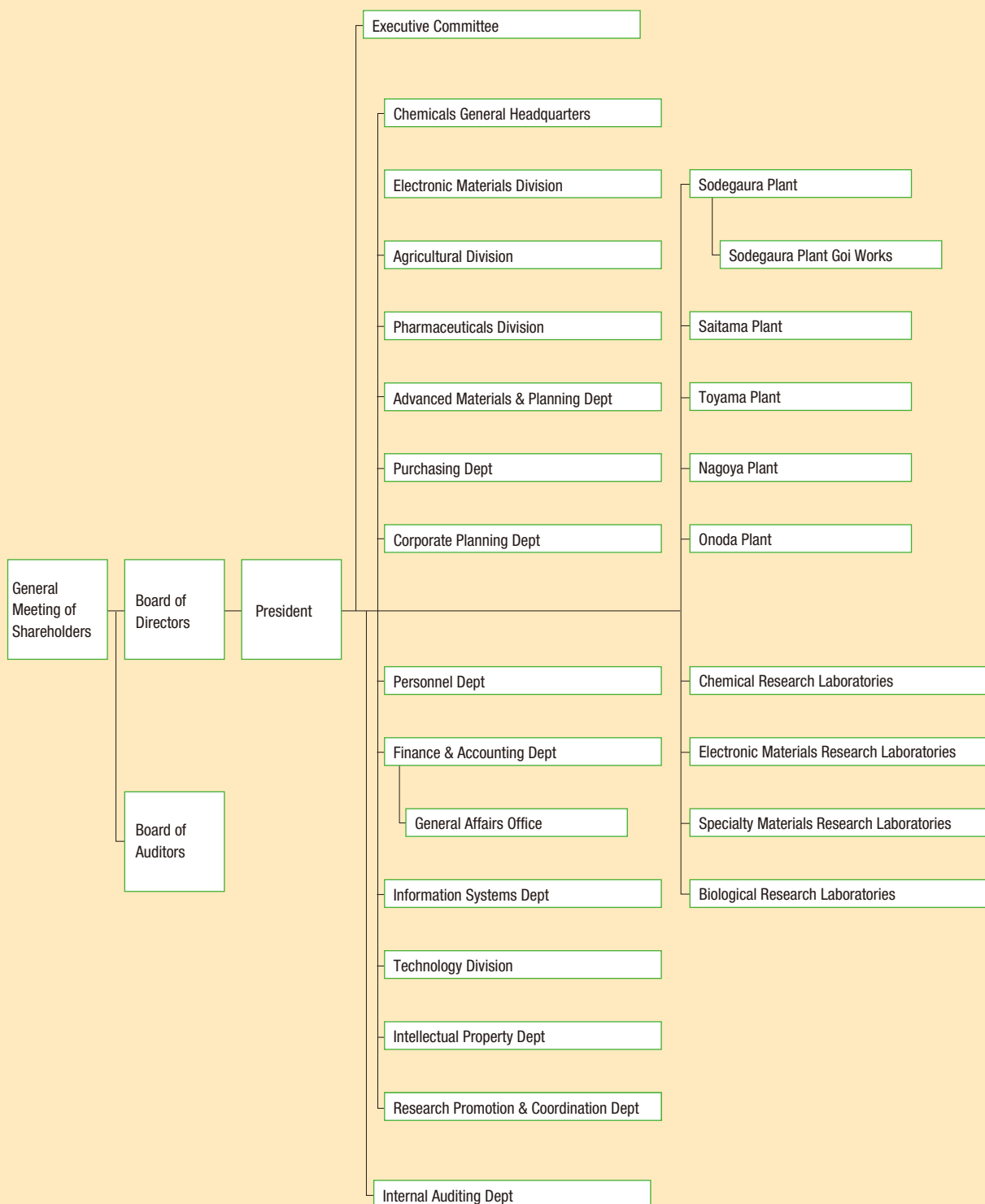
### Specialty Materials Research Laboratories

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

### Biological Research Laboratories

1470, Oaza Shiraoka, Shiraoka-cho,  
Minami Saitama-gun, Saitama 349-0294  
Tel: 0480-92-2513

# ORGANIZATION



## HISTORY

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

## GROUP NETWORK

### Domestic Group (Consolidated)

#### 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

#### Nissan Butsuryu Co., Ltd.

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

#### Nissan Green & Landscape Co., Ltd.

3-16-9, Utikanda, Chiyoda-ku, Tokyo 101-0047  
Tel: 03-3256-4031  
◆Landscaping and civil engineering

#### Nissan Engineering, Ltd.

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

#### Environmental Technical Laboratory, Ltd.

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

#### Nihon Hiryo Co., Ltd.

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

### Overseas Group (Consolidated)

#### Nissan Chemical America Corporation

10777 Westheimer, Suite 830 Houston, TX77042, U.S.A.  
Tel: 713-532-4745  
◆Chemicals and pharmaceuticals

#### Nissan Chemical Houston Corporation

12330 Bay Area, Boulevard, Pasadena, TX77507, U.S.A.  
Tel: 281-291-0200  
◆Chemicals

#### Nissan Chemical Europe S.A.R.L

Parc d'affaires de Crécy 2, rue Claude Chappé  
69370 St-Didier-au-Mont-d'Or France  
Tel: 33-4-37-64-40-20  
◆Agrochemicals

#### NCK Co., Ltd.

401, Chupal-ri, Paengsung ub Pyongtaek City, Korea  
Tel: 031-691-7044  
◆Chemicals

### Domestic Group (Under the Equity Method)

#### Sun Agro Co., Ltd.

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

#### Sud-Chemie Catalysts Japan, Inc.

2-1-1, Yoyogi, Shibuya-ku, Tokyo 151-0053  
Tel: 03-5308-9300  
◆Catalysts for petrochemical and petroleum products

# STOCK INFORMATION

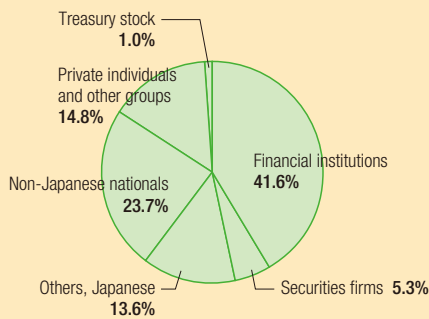
As of March 31, 2010

Total Number of Authorized Shares	360,000,000
Shares of Common Stock Issued	174,000,000
Shareholders	13,801

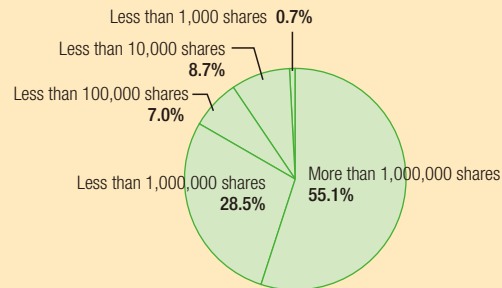
## MAJOR SHAREHOLDERS (TOP FIVE COMPANIES)

	Number of shares held (thousands)	Percentage of total shares in issue (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	16,455	9.5
Japan Master Trust Bank, Ltd. (Trust Account)	9,916	5.7
Mizuho Trust & Banking Co., Ltd. (Employee Retirement Benefit Trust of Mizuho Corporate Bank)		
New trust custodian: Trust & Custody Services Bank, Ltd.	7,378	4.2
SOMPO JAPAN INSURANCE INC.	4,850	2.8
The Norinchukin Bank	4,800	2.8

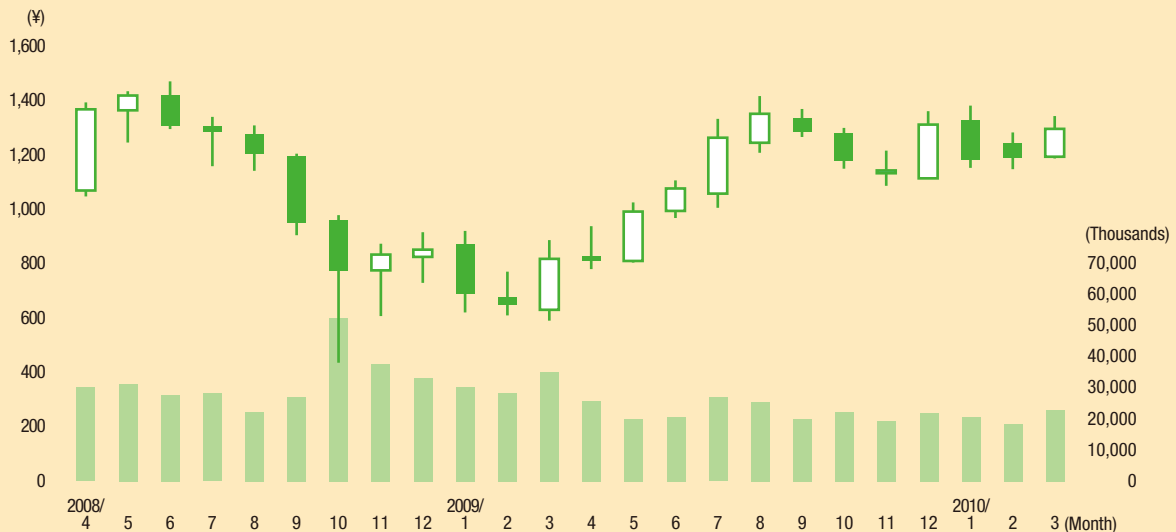
## BREAKDOWN OF SHAREHOLDERS BY TYPE



## BREAKDOWN BY NUMBER OF SHARES HELD



## STOCK QUOTE AND CHART (APRIL 2008–MARCH 2010)





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