

March 27, 2007

To All Persons Concerned:

Company name: Nippon Kayaku Co., Ltd.
Representative: Koichiro Shimada, President
Code No.: 4272 (Tokyo Stock Exchange)
Contact: Ryoichi Araki, Executive Director
Director of Administration Group
Finance & Accounting Division
Telephone: (03) 3237-5270

Notice of Corrections to the Business Results Forecast

This document is an English translation of the Japanese-language original.

We would like to notify you of the following corrections that were made to the business results forecast for the fiscal year ending May 2007 (June 1, 2006 – May 31, 2007), which was previously announced when the interim period summary of financial statements was released on December 28, 2006.

1. Correction to Business Results Forecast Amounts for Full Year Ending May 2007 (June 1, 2006 – May 31, 2007)

(1) Correction to the consolidated business results forecast

(Unit: Million yen)

	Net sales	Ordinary income	Net income
Previous forecast (A)	150,000	16,000	8,000
Current corrected forecast (B)	150,000	15,000	7,000
Amount of change (B – A)	0	(1,000)	(1,000)
Percentage change	0.0	(6.3)	(12.5)
Results from previous year (year ended May 2006)	140,026	14,366	9,641

(Reference) Forecasted net income per share (full year): 38.51 yen

(2) Correction to the non-consolidated business results forecast

(Unit: Million yen)

	Net sales	Ordinary income	Net income
Previous forecast (A)	108,000	11,000	6,400
Current corrected forecast (B)	104,000	10,000	4,500
Amount of change (B – A)	(4,000)	(1,000)	(1,900)
Percentage change	(3.7)	(9.1)	(29.7)
Results from previous year (year ended May 2006)	99,685	8,256	2,942

(Reference) Forecasted net income per share (full year): 24.76 yen

2. Reasons for Corrections to Business Results Forecast

(Consolidated)

Ordinary income for the full year is expected to fall below the previous forecast, due to factors including a slump in results from the company's electronic materials.

Net income is also expected to fall below the previous forecast, due to factors including amortization of the consolidated company goodwill by 820 million yen.

(Non-consolidated)

The business results for the full year are expected to fall below the previous forecast in terms of both net sales and ordinary income, due to factors including a slump in electronic information materials performance resulting from a delayed market recovery and falling prices.

Net income is expected to fall significantly below the previous forecast, due to the need to add to the allowance for doubtful receivables (expected amount: 1.5 billion yen) for loans to consolidated companies. This is a result of delayed improvement in their business results.