

## Profile

Nippon Kayaku was founded in 1916 as Nihon Kayaku Seizou Co., Ltd., the first manufacturer of industrial explosives in Japan. In 1943, this company merged with Teikoku Senryo Seizou Co., Ltd. and Yamakawa Seiyaku Co., Ltd., and in 1945 the corporate name was changed to Nippon Kayaku Co., Ltd. From the fusion of explosive, dye, pharmaceutical, and other fine chemical technologies, the company has rapidly pioneered numerous new fields of technology. At present, Nippon Kayaku operates in three primary business areas. These are the functional chemicals business, which is based on dye and resin technology and provides products in the environment and energy conservation field; the pharmaceuticals business, which is centered on anti-cancer drugs; and the safety systems business, which is working to improve safety in our automobile society through airbags and other components that utilize applied explosive technologies. Nippon Kayaku is utilizing global “sukima” ideas—targeting global niche markets and making ideas into reality—while challenging ourselves to develop creative new products and new business areas.

## Contents

2	Message from the President	34	Consolidated Balance Sheets
6	Nippon Kayaku Group Mid-Term Business Plan and Its Progress Status	36	Consolidated Statements of Income
8	Environment and Energy Conservation Field	37	Consolidated Statements of Comprehensive Income
12	Health Care Field	38	Consolidated Statements of Changes in Net Assets
16	Safety Systems Field	39	Consolidated Statements of Cash Flows
18	Agrochemicals Business	40	Notes to Consolidated Financial Statements
19	Vision and Action Related to CSR	55	Report of Independent Auditors
22	Corporate Governance	56	Organization
24	Board of Directors	57	Group Companies
25	Auditors/Executive Directors	58	Corporate Information
26	Consolidated Eleven-Year Summary	59	Investor Information
28	Management's Discussion and Analysis		