

Since our founding in 1916, Nippon Kayaku has relied upon a base of fine chemicals while continuing to expand into new fields including explosives, dyes, pharmaceuticals, agro-chemicals, functional products, catalysts, and inflators, in order to construct what is now our business base. By maximizing the use of our management resources we have worked for constant improvement, and by adapting to the changing needs of the times we have succeeded in expanding our business.

...breakthroughs lead to growth

In the three-year mid-term business strategy which began in June 2000, we established three growth fields: "Medicine/Welfare and Care," "Information/Communications," and "Environment/Safety Systems." We are working to create a fusion of Nippon Kayaku's intellectual assets, accumulated in a broad range of areas, and to concentrate them in these growth fields. In this way, we are aiming for further development and growth for the entire Nippon Kayaku Group. FY 2002 was the second year of this mid-term strategy. During this year we expanded the fusion of intellectual assets beyond the Group, and actively engaged in business alliances with other companies in order to accelerate the start-up of new business.

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* Company information after May 2002 is disclosed as part of company information herein.
* Descriptions about future results imply uncertainty and risks, and do not guarantee realization of these results as such. There are possibilities that discrepancies will occur between goals and results due to such factors as changes in management environment.

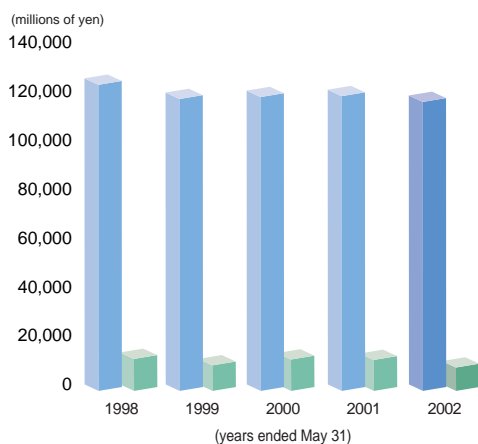
Consolidated Financial Highlights

(Years ended May 31)

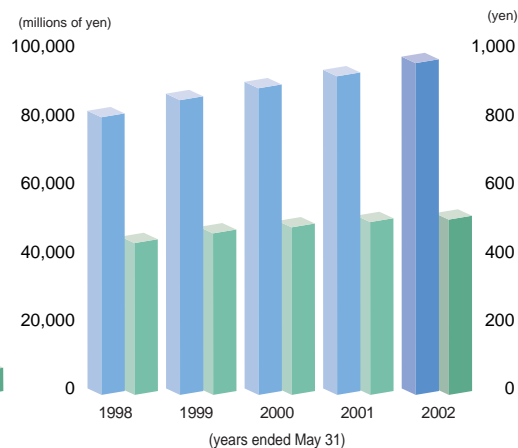
(Millions of yen, except per share amounts)

	2002	2001	2000	1999	1998
Net Sales	119,435	121,002	121,302	121,483	126,445
Operating Income	9,384	13,277	14,071	12,147	14,439
Income before Income Taxes and Minority Interests	7,309	10,675	10,132	12,057	13,071
Net Income	2,630	4,903	4,807	6,714	5,886
Shareholders' Equity	96,248	94,331	90,666	86,989	82,101
Shareholders' Equity per Share (Yen)	527.61	516.97	496.90	476.65	449.86
Net Income per Share (Yen)	14.42	26.87	26.34	36.79	32.25

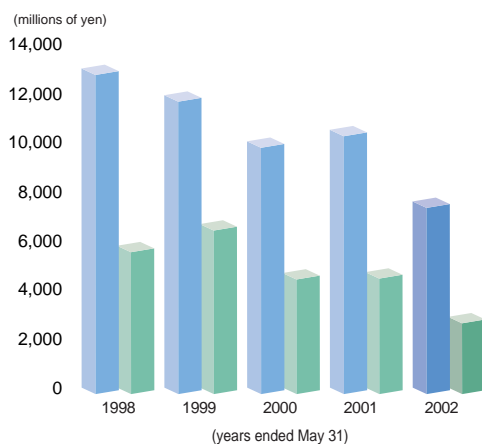
**Net Sales
Operating Income**



**Shareholders' Equity
Shareholders' Equity per Share**



**Income before Income Taxes and
Minority Interests
Net Income**



Net Income per Share

