

Since our founding in 1916, from a base in the fine chemicals business, the Nippon Kayaku Group has continued to expand into a broad range of new fields, including explosives, dyes, pharmaceuticals, agrochemicals, functional products, catalysts, and automobile safety parts to construct our current business foundation. We have succeeded in expanding through maximizing the use of our business resources and continually improving ourselves to meet the needs of the rapidly changing times.

The Nippon Kayaku Group has established information/communications, health care, and safety systems as the fields in which we will target our expansion, and we are working to further concentrate our business resources in these fields. In 2006, the 90th anniversary of our founding, we constructed the Integrated Research Laboratories, introduced a project system, and worked to create a fusion of the broad range of technologies we have developed in the Group. At the same time, we have actively pursued alliances with other companies. Based on a fair and honest business approach, the Nippon Kayaku Group is working to accelerate the pace of research and development, and to apply our strengths in global niche markets, in order to achieve continued growth.

Driving R&D and Growth – A Virtuous Circle

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* Company information after May 31, 2006 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.