Nippon Steel Chemical Co., Ltd.

ANNUAL REPORT 2001
APRIL 1.2000-MARCH 31.2001

Nippon Steel Chemical Co., Ltd.

Nippon Steel Chemical Co., Ltd. was established in 1956 as an independent subsidiary of Nippon Steel Corporation. In 1984, the company merged with another subsidiary, Nittetsu Chemical Industrial Co., Ltd., becoming the core chemical arm of the Nippon Steel group. This alliance with the world's largest steel maker affords Nippon Steel Chemical enormous advantages and supports the company's diversification into new business fields.

More than 40 years have elapsed since Nippon Steel Chemical was founded. In that time, the company has built a leading presence in numerous sectors of the worldwide chemical industry. Operations range from cokes and other carbon-derived materials and petrochemicals to electronic materials, industrial gases, paints, plastics and construction materials. Tightly focused research and development activities are ushering the company into promising new fields and at the same time bolstering the competitiveness of existing ones. The company's position of leadership is further enhanced by a streamlined operating foundation and a network of strategic tie-ups with partners in Japan and overseas.

Contents

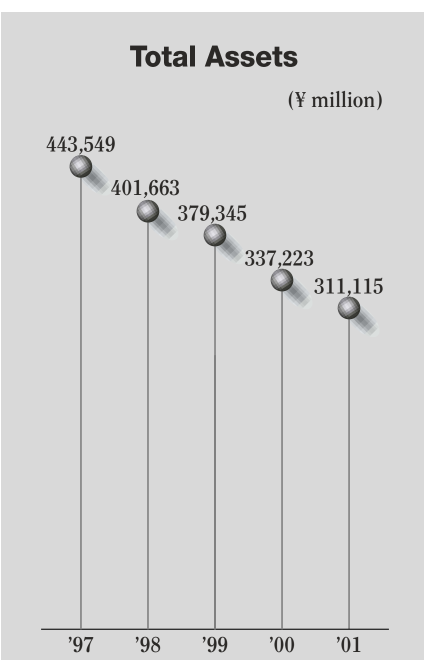
Financial Highlights

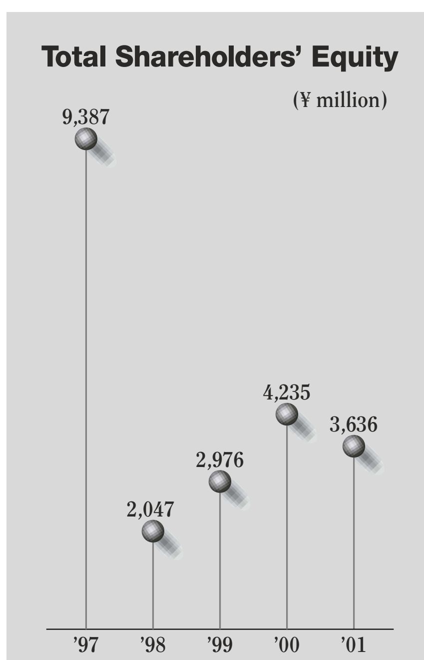
For the years ended March 31, 2001 and 2000

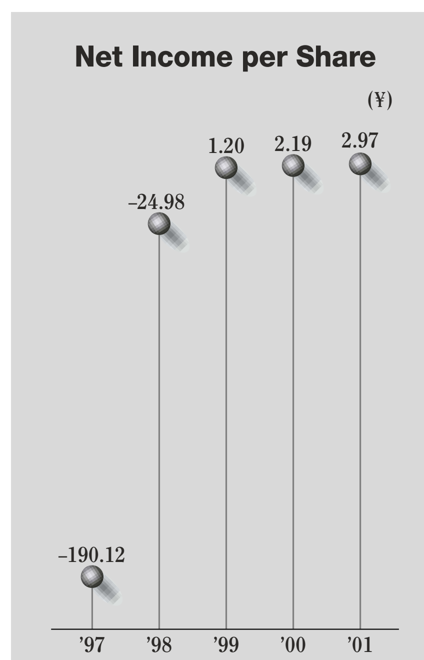
(Yen in millions, U.S. dollars in thousands, except per share amount)

	2001	2000	% Change	***2001***
For the Year				
Net Sales	**¥296,369**	¥276,462	7.2	***$ 2,392,002***
Operating Income	**10,288**	9,063	13.5	***83,034***
Net Income	**864**	637	35.6	***6,972***
At Year-End				
Total Assets	**¥311,115**	¥337,223	(7.7)	***$ 2,511,017***
Total Shareholders' Equity	**3,636**	4,235	(14.1)	***29,346***
Per Share				
Net Income	**¥ 2.97**	¥ 2.19	35.6	***$ 0.02***

Note: US$ amounts are calculated solely for the readers' convenience, at the rate of US$1=¥123.90 for the year ended March 31st, 2001.







To Our Shareholders

Chairman Takaki Yamatoya (seated) and President Tsuneyoshi Nishi

The Japanese economy in the term under review treaded a path of moderate recovery in the first half with a firm tone in IT-related equipment investment serving as prime mover. From the outset of the latter half, however, a business downturn became gradually apparent, reflecting the decrease in exports as a result of a slowdown in business activity in the U.S. and Asian countries, the decline in the stock market and other adverse factors.

In the Japanese chemical industry, raw materials prices remained at a high level throughout the term under review, putting a squeeze on profits. Meanwhile, overseas market prices softened after the autumn of 2000 following the slackening of the supply-demand situation due to the effect of the easing-off of U.S. economic activity and to new installations and expansion of production capacities in the Middle East and Southeast Asia. These combined to cast a shadow on the business climate surrounding the chemical industry.

In this environment, the Nippon Steel Chemical group took a fresh step toward the goal of the Mid-Term Consolidated Management Plan (FY2000-2002) which aims primarily at the improvement of profitability through thoroughgoing cost curtailment, enhancement of the business structure by exploring business opportunities in peripheral areas and strategic input of managerial resources into the area of high-performance materials. During the term under review, emphasis was laid on the implementation of measures intended for the first year of the plan.

Review of Operations

• Carbon Materials and Industrial Gases

In the business of carbon materials and industrial gases, higher price competitiveness was pursued especially for metallurgical and pitch coke, with stable production always in mind, through low-cost procurement of raw materials and constant implementation of automated, high-efficiency works.

In the area of carbon materials as a whole, sales quantity during the term under review was kept at virtually the same level as in the previous term. Coke for special carbon materials, among others, saw a conspicuous sales growth reflecting the booming semiconductor market.

As a result, consolidated sales in the term under review amounted to ¥86,748 million, down ¥1,085 million from the previous term, and consolidated operating profit to ¥3,157 million, up ¥728 million.

• Basic Chemicals

In the business of chemicals, the business climate was severe especially for the area of basic chemicals during the term under review. The first half of the term saw a gain in earnings supported by a firm pace in the production and sales of styrene monomer and also by higher overseas market prices, but chemical market prices began moving downward in the latter half with some products eventually failing to see a price hike enough to offset the upsurge in raw materials prices.

As regards bisphenol A currently in steady demand, Nippon Steel Chemical embarked upon the construction of a new plant at a joint venture established in Korea in July 2000, to secure an additional supply capacity in Asia and thus to expand its sales.

In the resin materials business, both sales quantity and earnings increased due to the company's endeavors toward quality improvement in response to user needs and to the effect of equipment failures at overseas producers. To concentrate this area's operations on Asia where the market is growing at a rapid pace, in July 2000 the company disposed of its European and American chemical compound affiliates.

As a result, consolidated sales in the term under review amounted to ¥122,680 million, up ¥18,325 million over the previous term, and consolidated operating profit to ¥4,678 million, down ¥32 million.

• Specialty Chemicals

In the business of specialty chemicals, sales competition intensified especially in specialty and precision chemicals due mainly to the advancement of Chinese producers in the midst of overall demand doldrums. In this harsh business environment, such newly developed products as thermosensitive chemicals and organic EL (electroluminescense) materials steadily took root in the market. Especially, organic EL materials are at the focus of Nippon Steel Chemical's specialty chemical business operations, as the company was quick to establish their supply system and fully prepare for the business promotion.

In the area of electronic materials, the market for high-density packaging circuit boards has been steadily expanding, reflecting such new trends in digital appliances as a shift to wider adoption of color and streaming video displays. The company's ESPANEX, adhesive-free copper-clad laminated sheet for flexible printed circuit boards, demonstrated its competitive edge in terms of quality in this market, leading to a substantial sales gain. Efforts have still been focusing on winning new customers and providing ESPANEX with yet higher added values. Production capacities for this adhesive-free copper-clad laminated sheet have hitherto been reinforced as occasion demanded. With the growth potential of its demand in the future in mind, the company set out to increase its annual capacity to 3 million m^2 by the end of 2002 from the present 1.2 million m^2.

In the paint business, efforts focused on cultivating new customers and on development and sales promotion of new products such as "Aroma Ace" to respond to the needs for environmental considerations. Nevertheless, both demand and market prices remained anemic throughout the term under review, resulting in sales quantity little changed from the previous term.

As a result, consolidated sales amounted to ¥42,036 million in the term under review, down ¥359 million from the previous term, and consolidated operating profit to ¥2,459 million, up ¥69 million.

• Other Businesses

In the field of other businesses, the demand for composite materials considerably abated especially from the sports and leisure activities industry, a major customer, resulting in a decline in both sales prices and quantity. For construction materials, too, market prices continued below normal. Thus, this business sector faced an extremely severe business climate in the term under review.

Nippon Steel Chemical spun-off in February 1997 its rock wool business as an affiliate company, and was engaged aggressively in improving the affiliate company's business structure. In October 2000, the rock wool business was eventually transferred to a joint enterprise between Nippon Steel Chemical and Sumitomo Metal Industries, Ltd., to which the same business line of Sumitomo Metals' affiliate company was also transferred. Thus, the establishment of an optimum production system and other active steps are now in place to further strengthen the competitiveness of this area.

As a result, consolidated sales amounted to ¥44,903 million in the term under review, up ¥3,026 million over the previous term, and consolidated operating loss to ¥23 million, an improvement of ¥485 million.

Operating Revenues

As a result of the unabated management efforts mentioned above, the Nippon Steel Chemical group chalked up consolidated total sales of ¥296,369 million in the term under review, an increase of ¥19,906 million over the previous term. Consolidated ordinary profit in the term under review was ¥2,514 million more than in the previous term, to reach ¥7,535 million, despite the effect of soaring raw materials prices. Thus, both sales and profit marked improvements over the previous term. Meanwhile, the consolidated net income for the term under review, after factoring special profits, including gain on sale of the stocks of the European and American affiliates, and special losses, including valuation loss on investment in securities and others and loss on business restructuring, amounted to ¥864 million, a gain of ¥227 million over the previous term.

As for cash flows during the term under review, earnings from such non-operating activities as the sale of certain affiliated companies' stocks in conjunction of the selective concentration of managerial resources and the sale of tangible fixed assets as a part of the reduction of assets, in addition to the net cash provided by operating activities, were used for the repayment of interest-bearing debts and for such investments as the acquisition of tangible fixed assets and investment securities. As a result, the amount of cash and cash equivalents outstanding at the end of the term under review came to a total of ¥12,332 million, a decrease of ¥9,742 million from a level at the beginning of the term.

Starting with the term under review, the three conventional business sectors, carbon materials and industrial gases, basic and specialty chemicals and construction materials, have been changed to four sectors — carbon materials and industrial gases, chemicals, specialty materials and other materials.

Future Management Tasks

In no distant future, expectations are high for the effects of the government's economic stimulus packages and easing of monetary policy. However, in light of many emerging concerns — such as deceleration in the growth of the U.S. economy and slumping domestic equipment investment, it is feared that a further slackening in business activities lies ahead.

In the chemical industry world, given the active introduction and expansion of chemical plants throughout Asia and the reduction of domestic import duties, in addition to growing uncertainty about the future of the world economy, global competition will inevitably intensify. This will add to the severity of the management environment surrounding Nippon Steel Chemical.

Out of this recognition, the Nippon Steel Chemical group intends to put emphasis on pressing ahead with its Mid-Term Consolidated Management Plan in each business sector. Essential to the attainment of the goal of the Mid-Term Consolidated Management Plan are stepped-up endeavors to achieve business restructuring and the enhancement of business foundations — issues of long standing, while also aggressively strengthening and expanding the business of specialty chemicals as the key sector to the growth of the group. Thus, the Nippon Steel Chemical group is firmly committed to securing a solid profit foundation capable of responding to any changes in the management environment.

Takaki Yamatoya
Chairman

Tsuneyoshi Nishi
President

June 27, 2001

Highlights of the Year

July 2000

Establishment of Kumuho P&B Chemicals, Inc. for Manufacture of Bisphenol A in Korea

Kumuho P&B Chemicals, Inc., a joint venture between Nippon Steel Chemical and Kumuho Petrochemical and its three affiliated companies, was established to manufacture and sell phenol/bisphenol A in Korea.

Taking over the existing phenol/bisphenol and other certain businesses of the Kumuho group, Nippon Steel Chemical is pressing ahead with the construction of new equipment for bisphenol A within the compound of Kumuho's Yeosu Plant. The equipment will come on stream in 2002.

October 2000

Development of Nitrate Treatment System Jointly with Nitchitsu

Given the increasingly grave concern about the issue of nitrate contained in underground and waste water, Nippon Steel Chemical developed a new system for nitrate treatment by compounding thiobacillus denitrificants and sulfur-calcium inorganic materials, through joint research with Nitchitsu Co., Ltd. As it is simpler than conventional systems for such purpose and is low in application cost, including maintenance after installation, this system is expected to find growing use in such applications as small office and agricultural drainage.


Spring water purification test at the tea industry experiment station in Shizuoka Prefecture

The system is currently being evaluated by various agricultural experiment stations and municipal authorities, and several orders for it have already been obtained. The company is actively moving to implement full-fledged business promotion in this field.

October 2000

Establishment of Nippon Rockwool Corporation, a Joint Venture with Sumitomo Metals, as Part of Business Restructuring Endeavors

Nippon Steel Chemical and Sumitomo Metal Industries, Ltd. established a joint enterprise, Nippon Rockwool Corporation, and the rockwool businesses of the two companies were consolidated into the new company. The aim of this joint venture is to achieve higher-efficiency operations through such measures as taking advantage of the well-balanced arrangement of equipment and facilities in the Kanto and Kansai regions, thereby strengthening the competitiveness of the rockwool business.

Various rockwool products

Rockwool — an eco-friendly material produced from blast-furnace slag — excels especially in terms of fire resistance, heat insulation and sound absorption and is widely used in the construction of factories, buildings and residences.

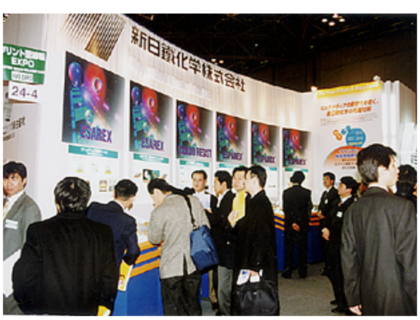
January 2001

Establishment of High-performance EL Business Promotion Section, to Reinforce Specialty Chemicals Business

Nippon Steel Chemical made a full-scale entry into the business focusing


Production facility for high-performance EL materials

on materials for high-performance EL (electroluminescense) display — the focus of attention as a next-generation display technology to replace liquid crystal displays. The company's Kyushu Works is already equipped with six production lines capable of responding to the requirements for small- or large-lot manufacture through use of the company's proprietary special synthesis and highly advanced manufacturing technologies. In addition, the OEL (Organic Electroluminescense) Section was newly established to integrate the operations of sales, manufacture, quality control and research and development. Thus, Nippon Steel Chemical is nearing the target of improving its business promotion system in this field.



Many visitors at the company's booth

January 2001

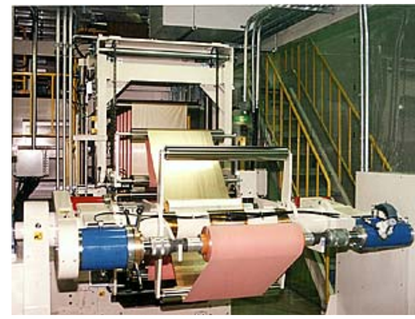
Participation in "Printed Circuit Board EXPO" for Publicity of Advanced Materials Business

Products and technologies/services offered by the Advanced Materials Division were exhibited and introduced at the "Printed Circuit Board EXPO" held at the Tokyo Big Sight. They included ESPANEX — adhesive-free copper-clad laminated sheets for flexible printed circuit boards — and other circuit materials, flat-panel display materials and semiconductor materials.

March 2001

Enhancement of Capacities for ESPANEX, Adhesive-free Copper-clad Laminated Sheets for Flexible Printed Circuit Boards

In light of the fact that ESPANEX production has been in the state of full operation since the summer of 2000 to meet the rapid growth of demand from driving ICs for flat-panel displays and other applications (mainly reflecting the increasing trend of liquid crystal



ESPANEX production facility

displays toward coloring and animating), Nippon Steel Chemical set out to enhance production capacities for ESPANEX. At Kisarazu Works now producing ESPANEX, Nippon Steel Chemical plans to invest a total of about ¥2,500 million and increase in stages the present annual capacity of 1.2 million m^2 to 3.0 million m^2 by the end of 2002.

The company also plans to double annual capacity to 6.0 million m^2 in the medium term, depending upon demand trends henceforth.

Financial Statements

Financial Review

• Income Analysis

Net sales of Nippon Steel Chemical Co., Ltd. and its consolidated subsidiaries for fiscal 2000 increased by 7.2 percent, or ¥19,907 million, to ¥296,369 million (US$2,392 million).

Operating income increased by 13.5 percent, or ¥1,225 million, to ¥10,288 million (US$83 million) while net income was ¥864 million (US$7 million), compared to ¥637 million in the previous fiscal year.

• Financial Position

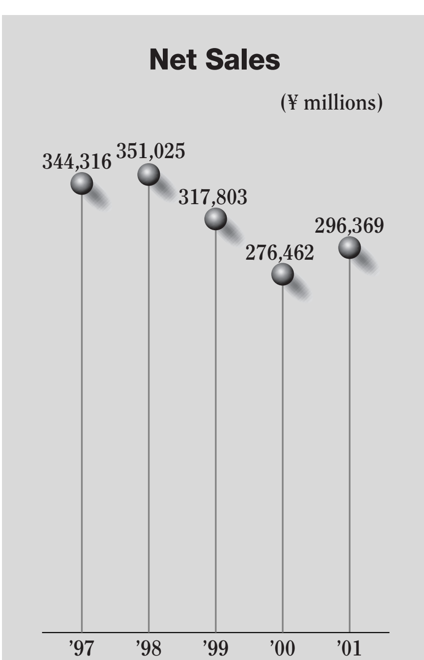
Total assets at March 31, 2001 decreased by 7.7 percent, or ¥26,108 million, to ¥311,115 million (US$2,511 million). Current assets decreased by 16.3 percent, or ¥20,140 million, to ¥103,435 million (US$835 million). Investments and advances increased by 18.6 percent, or ¥6,072 million, to ¥38,750 million (US$313 million). Property, plant and equipment decreased by 8.7 percent, or ¥14,103 million, to ¥148,516 million (US$1,199 million).

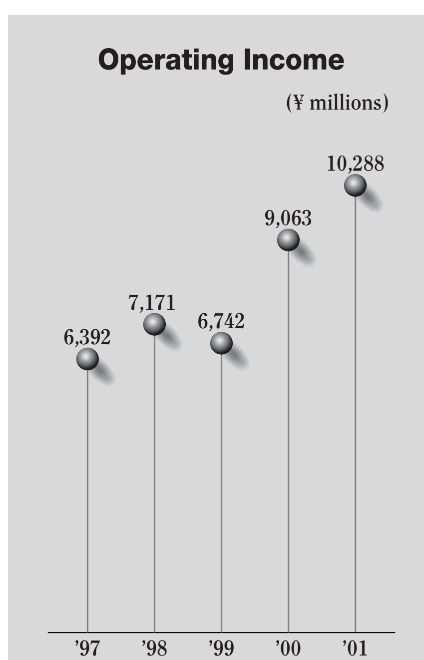
On the other side of the balance sheet, current liabilities decreased by 14.1 percent, or ¥39,109 million, to ¥239,217 million (US$1,931 million). Long-term debt increased by 20.1 percent, or ¥8,922 million, to ¥53,325 million (US$430 million). Shareholders' equity decreased by 14.1 percent, or ¥599 million, to ¥3,636 million (US$29 million). The shareholders' equity ratio at the end of the fiscal year was 1.2 percent, compared with 1.3 percent at the end of the previous year.

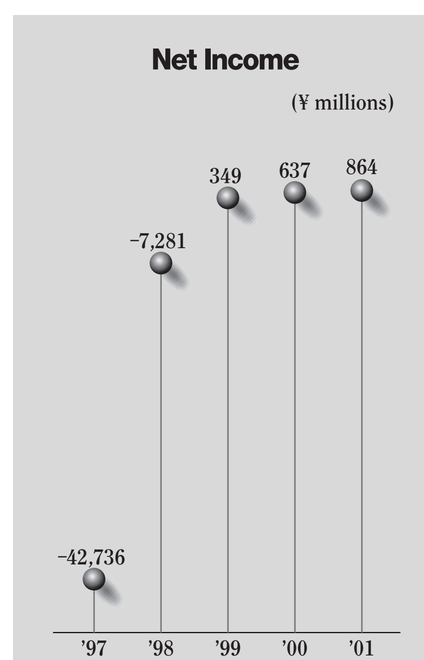
• Cash Flows

A consolidated statement of cash flows was prepared with effect for the year ended March 31, 2001.

Net cash provided by operating activities was ¥28,618 million (US$231 million). Net cash of ¥3,149 million (US$25 million) was used in investing activities. Net cash of ¥32,778 million (US$265 million) was used in financing activities. As a result of the above, there was a ¥9,743 million decrease in cash and cash equivalents to ¥12,332 million (US$100 million).







CONSOLIDATED BALANCE SHEETS

March 31, 2001 and 2000

	Millions of yen		*Thousands of U.S. Dollars (Note 3)*
	2001	2000	***2001***
ASSETS			
Current Assets:			
Cash and bank deposits (Note 4)	**¥ 12,334**	¥ 26,188	***$ 99,548***
Marketable securities (Note 5)	**—**	1,687	***—***
Notes and accounts receivable-trade:			
Outside customers	**51,692**	46,661	***417,207***
"NSC"	**1,788**	9,162	***14,431***
Non-consolidated subsidiaries and affiliates	**740**	554	***5,973***
	54,220	56,377	***437,611***
Allowance for doubtful accounts	**(238)**	(186)	***(1,921)***
	53,982	56,191	***435,690***
Inventories (Note 7)	**31,317**	32,924	***252,760***
Deferred income taxes (Note 11)	**473**	407	***3,818***
Other current assets	**5,329**	6,178	***43,010***
Total Current Assets	**103,435**	123,575	***834,826***
Fixed Assets:			
Property, Plant and Equipment (Note 8):			
Buildings and structures	**76,643**	78,241	***618,588***
Machinery and equipment	**335,282**	337,201	***2,706,069***
	411,925	415,442	***3,324,657***
Accumulated depreciation	**(298,746)**	(287,833)	***(2,411,186)***
	113,179	127,609	***913,471***
Land (Note 15)	**31,995**	31,683	***258,232***
Construction-in-progress	**3,342**	3,327	***26,973***
	148,516	162,619	***1,198,676***
Investments and Advances:			
Investments in securities (Notes 5 and 8)	**9,171**	14,692	***74,019***
Investments in and advances to non-consolidated subsidiaries and affiliates	**14,798**	9,031	***119,435***
Long-term loans and other investments	**14,781**	8,955	***119,129***
	38,750	32,678	***312,752***
Deferred Income Taxes (Note 11)	**19,349**	12,972	***156,166***
Deferred Charges and Intangibles	**1,065**	2,353	***8,597***
Foreign Currency Translation Adjustment	**—**	3,026	***—***
Total Fixed Assets	**207,680**	213,648	***1,676,191***
	¥311,115	¥337,223	***$2,511,017***

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

March 31, 2001 and 2000

	Millions of yen		*Thousands of U.S. Dollars (Note 3)*
	2001	2000	***2001***
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans (Note 8)	**¥174,737**	¥198,954	***$1,410,307***
Current portion of long-term debt (Note 8)	**11,511**	29,874	***92,906***
Notes and accounts payable-trade:			
Outside suppliers	**29,903**	29,115	***241,348***
"NSC"	**5,533**	4,728	***44,657***
Non-consolidated subsidiaries and affiliates	**2,955**	1,484	***23,850***
	38,391	35,327	***309,855***
Income taxes payable (Note 11)	**238**	295	***1,921***
Accrued expenses	**8,840**	8,656	***71,348***
Other current liabilities	**5,500**	5,220	***44,390***
Total Current Liabilities	**239,217**	278,326	***1,930,727***
Long-Term Liabilities:			
Long-Term Debt (Note 8)	**53,325**	44,403	***430,387***
Accrued Employees' Retirement Benefits (Note 9)	**7,131**	5,612	***57,554***
Accrual for Loss on Restructuring Measures under the Mid-Term Management Plan (Note 14)	**1,983**	336	***16,005***
Deferred Income Tax related to Land Revaluation (Note 15)	**1,220**	1,101	***9,847***
Other Long-Term Liabilities	**2,937**	924	***23,705***
Total Long-Term Liabilities	**66,596**	52,376	***537,498***
Minority Interests	**1,666**	2,286	***13,446***
Contingent Liabilities (Note 10)			
Shareholders' Equity:			
Common stock, ¥50 par value per share:			
Authorized: 600,000,000 shares at March 31, 2001 and 2000			
Issued: 291,455,003 shares at March 31, 2001 and 2000	**40,966**	40,966	***330,637***
Reserve for Revaluation of Land (Note 15)	**1,685**	1,521	***13,600***
Accumulated Deficit (Note 17)	**(37,648)**	(38,252)	***(303,858)***
Unrealized Holding Losses on Other Securities (Note 5)	**(480)**	—	***(3,874)***
Foreign Currency Translation Adjustment	**(887)**	—	***(7,159)***
Total Shareholders' Equity	**3,636**	4,235	***29,346***
	¥311,115	¥337,223	***$2,511,017***

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME

For the two years ended March 31, 2001

	Millions of yen		*Thousands of U.S. Dollars (Note 3)*
	2001	2000	***2001***
Net Sales (Note 12)	**¥296,369**	¥276,462	***$2,392,002***
Cost of Sales (Note 12)	**261,168**	241,367	***2,107,894***
Gross Profit	**35,201**	35,095	***284,108***
Selling, General and Administrative Expenses (Note 13)	**24,913**	26,032	***201,073***
Operating Income	**10,288**	9,063	***83,034***
Other Income (Expenses):			
Interest and dividend income	**345**	405	***2,784***
Interest expense	**(4,020)**	(4,671)	***(32,446)***
Gain on sales of investment securities (Note 5)	**3,851**	—	***31,082***
Loss on disposal of property	**(3,635)**	(1,069)	***(29,338)***
Loss on restructuring measures under the Mid-Term Management Plan (Note 14)	**(2,774)**	—	***(22,389)***
Prior service costs for pension plan	**—**	(316)	***—***
Special retirement expenses	**(353)**	(1,462)	***(2,849)***
Loss on dissolution of subsidiaries and affiliates	**—**	(463)	***—***
Write-down of investment securities	**(6,346)**	(10,138)	***(51,219)***
Write-off of deferred development costs	**—**	(2,873)	***—***
Foreign exchange gain (loss), net	**659**	(402)	***5,319***
Cumulative effect of change in accounting for employees' retirement benefits	**(2,239)**	—	***(18,071)***
Equity in income of affiliates	**463**	360	***3,737***
Other, net	**(964)**	(214)	***(7,781)***
	(15,013)	(20,843)	***(121,171)***
Loss before Income Taxes and Minority Interests	**(4,725)**	(11,780)	***(38,137)***
Income Taxes (Note 11):			
Current	**474**	456	***3,826***
Deferred	**(6,039)**	(13,308)	***(48,741)***
	(5,565)	(12,852)	***(44,915)***
Minority Interests in Income of Consolidated Subsidiaries	**24**	(435)	***194***
Net Income	**¥864**	¥637	***$6,972***

	Yen		*U.S. Dollars (Note 3)*
Per Share Data:			
Net income	**¥2.97**	¥2.19	***$0.02***
Weighted average number of shares of common stock (in thousands)	**291,455**	291,455	

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the two years ended March 31, 2001

		Millions of yen				
	Number of shares of common stock	Common stock	Reserve for revaluation of land	Accumulated deficit	Unrealized holding losses on other securities	Foreign currency translation adjustment
Balance at March 31, 1999	291,455,003	¥40,966	¥ —	¥(37,989)	¥ —	¥ —
Net income	—	—	—	637	—	—
Effect of increase in consolidated subsidiaries	—	—	—	1,315)	—	—
Effect of increase/decrease in e quity-method affiliates	—	—	—	493	—	—
Reserve for revaluation of land	—	—	1,521	—	—	—
Foreign currency translation adjustment	—	—	—	(60)	—	—
Other	—	—	—	(18)	—	—
Balance at March 31, 2000	**291,455,003**	**40,966**	**1,521**	**(38,252)**	**—**	**—**
Net income	**—**	**—**	**—**	**864**	**—**	**—**
Effect of increase/decrease in equity-method affiliates	**—**	**—**	**—**	**(87)**	**—**	**—**
Transfer of reserve for revaluation of land	**—**	**—**	**164**	**(164)**	**—**	**—**
Unrealized holding losses on other securities	**—**	**—**	**—**	**—**	**(480)**	**—**
Foreign currency translation adjustment	**—**	**—**	**—**	**—**	**—**	**(887)**
Other	**—**	**—**	**—**	**(9)**	**—**	**—**
Balance at March 31, 2001	**291,455,003**	**¥40,966**	**¥1,685**	**¥(37,648)**	**¥(480)**	**¥(887)**

		Thousands of U.S. Dollars (Note 3)				
	Number of shares of common stock	Common stock	Reserve for revaluation of land	Accumulated deficit	Unrealized holding losses on other securities	Foreign currency translation adjustment
Balance at March 31, 2000	***291,455,003***	***$330,637***	***$12,276***	***$(308,733)***	***$ —***	***$ —***
Net income	—	—	—	***6,973***	—	—
Effect of increase/decrease in equity-method affiliates	—	—	—	***(702)***	—	—
Transfer of reserve for revaluation of land	—	—	***1,324***	***(1,324)***	—	—
Unrealized holding losses on other securities	—	—	—	—	***(3,874)***	—
Foreign currency translation a djustment	—	—	—	—	—	***(7,159)***
Other	—	—	—	***(72)***	—	—
Balance at March 31, 2001	***291,455,003***	***$330,637***	***$13,600***	***$(303,858)***	***$(3,874)***	***$(7,159)***

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the two years ended March 31, 2001

	Millions of yen		Thousands of U.S. Dollars (Note 3)
	2001	2000	***2001***
Cash Flows from Operating Activities:			
Loss before Income Taxes and Minority Interests	**¥(4,725)**	¥(11,779)	***$(38,136)***
Adjustments for:			
Depreciation and amortization	**17,362**	18,513	***140,129***
Amortization of deferred charges	**—**	2,949	***—***
Interest and dividend income	**(345)**	(405)	***(2,785)***
Interest expenses	**4,020**	4,671	***32,446***
Equity in income of affiliates	**(463)**	(360)	***(3,737)***
Loss on disposal of property	**3,299**	—	***26,626***
Write-down of investment securities	**6,346**	3,502	***51,219***
Gain on sales of investment securities	**(3,851)**	—	***(31,082)***
Loss on planned restructuring measures	**2,774**	—	***22,389***
Provision for retirement benefits	**2,239**	—	***18,071***
Decrease in Trade Receivables	**324**	837	***2,615***
Decrease in Inventories	**560**	2,554	***4,520***
Increase in Trade Payables	**4,166**	1,740	***33,624***
Other	**967**	(4,628)	***7,806***
Subtotal	**32,673**	17,594	***263,705***
Interest and Dividend Income Received	**401**	441	***3,236***
Interest Paid	**(3,973)**	(4,853)	***(32,066)***
Income Taxes Paid	**(483)**	(411)	***(3,898)***
Net Cash provided by Operating Activities	**28,618**	12,771	***230,977***
Cash Flows from Investing Activities:			
Proceeds from sales of marketable securities	**770**	341	***6,215***
Payments for purchases of property, plant and equipment	**(9,960)**	(8,489)	***(80,387)***
Proceeds from sales of property, plant and equipment	**2,093**	6,839	***16,893***
Payments for purchases of investment securities	**(5,378)**	(1,649)	***(43,406)***
Proceeds from sales of investments in subsidiaries	**8,346**	—	***67,360***
Other	**980**	(271)	***7,909***
Net Cash used in Investing Activities	**(3,149)**	(3,229)	***(25,416)***
Cash Flows from Financing Activities:			
Increase (decrease) in short-term debt, net	**(22,998)**	3,209	***(185,617)***
Extension of long-term debt	**21,391**	9,202	***172,647***
Repayment of long-term debt	**(31,082)**	(43,947)	***(250,864)***
Payments for purchase of convertible bonds for retirement	**(84)**	(1,140)	***(678)***
Cash dividends paid to minority shareholders	**(65)**	(120)	***(525)***
Issuance of new shares to minority shareholders	**60**	—	***485***
Net Cash used in Financing Activities	**(32,778)**	(32,796)	***(264,552)***
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**197**	(415)	***1,590***
Net Decrease in Cash and Cash Equivalents	**(7,112)**	(23,669)	***(57,401)***
Cash and Cash Equivalents at Beginning of Year	**22,075**	45,485	***178,168***
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	**—**	259	***—***
Effect of Policy Change on Scope of Cash and Cash equivalents	**(2,631)**	—	***(21,235)***
Cash and Cash Equivalents at End of Year (Note 4)	**¥12,332**	¥22,075	***$99,532***

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

(1) Primary Financial Statements

For the year ended March 31, 2001, Nippon Steel Chemical Co., Ltd. (the "Company") has resented consolidated financial statements as the primary financial statements for readers outside Japan in place of the non-consolidated financial statements presented in previous years. Consolidated financial statements for the year ended March 31, 2000 have been presented for comparative purposes.

(2) Accounting Principles

The accompanying consolidated financial statements have been prepared from accounts and records maintained by the Company and its consolidated subsidiaries in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan, as required by the Securities and Exchange Law of Japan, have been reclassified for the convenience of readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(3) Significant Shareholder

The Company is a subsidiary of Nippon Steel Corporation ("NSC"), who owned 195,530 thousand shares of common stock of the Company at March 31, 2001 and 2000, representing 67.09% of the shares outstanding at March 31, 2001 and 2000.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries. All significant intercompany accounts and transactions have been eliminated on consolidation.

Investments in major affiliates are accounted for using the equity method.

The excess of the purchase price over the value of net assets for businesses acquired is amortized over a 5-year period using the straight-line method.

(2) Cash and Cash Equivalents

Cash and cash equivalents shown on the consolidated statements of cash flows comprises cash on hand, bank deposits withdrawable on demand and short-term investments with an original maturity of 3 months or less, and which are subject to a minor risk of fluctuations in value.

With effect from the year ended March 31, 2001, the Company and its consolidated subsidiaries changed their policy on the scope of cash equivalents to exclude money trusts from cash equivalents. This change of policy was made in response to the reclassification of money trusts into long-term investments as of April l, 2000 as a result of the adoption of the new accounting standard for financial instruments (See Note 2 (3)).

(3) Financial Instruments

With effect from the year ended March 31, 2001, the Company and its consolidated subsidiaries adopted the new Japanese financial accounting standard for financial instruments. The effect of adopting this new standard was to increase "Loss before Income Taxes and Minority Interests" by ¥6,124 million *($49,427 thousand)* for the year ended March 31, 2001.

a) Debt and equity securities:

Under the new standard, debt securities which the Company and its consolidated subsidiaries have both the positive intent and ability to hold to maturity are classified as "held-to-maturity debt securities" and carried at amortized cost. Trading securities, of which the Company and its consolidated subsidiaries had none at March 31, 2001, are carried at fair value with changes in fair value recognized in income in the year in which they occur. Securities other than held-to-maturity debt securities, trading securities, and equity investments in non-consolidated subsidiaries and affiliates are called "other securities" (available-for-sale securities) and are carried at fair value with any unrealized holding gains and losses, net of tax, reported as a separate component of shareholders' equity. For the purpose of computing gains and losses on securities sold, the cost of securities is determined using the moving average method. Securities that do not have readily determinable fair values are recorded at cost.

Prior to the adoption of the new standard, marketable equity securities were stated at cost.

As a result of adopting the new standard, the Company and its consolidated subsidiaries recognized unrealized net holding losses on other securities of ¥480 million *($3,874 thousand)*, net of the applicable deferred tax asset of ¥396 million *($3,196 thousand)*, as a separate component of shareholders' equity at March 31, 2001.

Under the new standard, trading securities and debt securities due within one year are presented as "Marketable securities" under "Current Assets", and all other securities are presented as "Investments in securities" or "Long-term loans and other investments". Money trusts held by the Company and its consolidated subsidiaries have been reclassified as of April 1, 2000. As a result of such reclassification, "Cash and bank deposits" have decreased by ¥6,726 million *($54,285 thousand)* and "Long-term loans and other investments" have increased by the same amount.

Additional information with respect to marketable debt and equity securities is included in Note 5.

b) Derivatives

The new standard for financial instruments also requires that derivative financial instruments be measured at fair value, if determinable, and resulting gains or losses be included in net income, with the exception that gains or losses on certain qualified hedging instruments may be deferred as an asset or liability until the gains and losses on the hedged items are recognized. The Company and its consolidated subsidiaries enter into only interest rate swap and cap agreements as hedges against interest rate exposure on outstanding debt issued by the Company and its consolidated subsidiaries. The differential to be paid or received on such interest rate swap agreements as well as the amortization of cap premiums are recognized over the life of the agreements.

Additional information on derivatives is presented in Note 6.

(4) Allowance for Doubtful Accounts

An allowance for doubtful accounts has been provided at the estimated amount of specific probable bad debts plus an amount calculated by applying historical credit loss rates to outstanding receivables.

(5) Inventories
Inventories in the "coke operations" are stated at the lower of cost or market value, cost being determined by the moving average method. Other inventories are stated at the lower of cost or market value, cost being determined principally by the last-in, first-out method.
(6) Property, Plant and Equipment, and Depreciation
Property, plant and equipment, including significant renewals and additions, is stated at cost. Repairs and maintenance expenses are charged to income as incurred.

Depreciation is computed on the straight-line method.
(7) Accrued Employees' Retirement Benefits
Employees who terminate their service with the Company or its domestic consolidated subsidiaries are entitled to lump-sum retirement indemnities determined by reference to current basic rates of pay and length of service. Until the year ended March 31, 2000 these liabilities were provided for at approximately 50% of the amount that would be required if all employees terminated their service with the relevant companies involuntarily at the balance-sheet date.

The Company and its 7 domestic consolidated subsidiaries have additional plans to cover all or part of the retirement benefits payable. The annual contributions for pension benefits include current service costs, amortization of past service costs over a 15-year period and interest on the unfunded portion of past service costs. Until the year ended March 31, 2000, such contributions were charged to income when paid.

With effect from the year ended March 31, 2001, the Company and its consolidated subsidiaries adopted the new Japanese financial accounting standard for employees' retirement benefits. This standard requires the retirement benefit liability, based on employees' service to date, to be computed at the actuarial present value of the projected benefit obligation. The new standard also requires that actuarial valuations in respect of projected salaries, past service costs, experience adjustments, and the effect of changes in actuarial assumptions be allocated to income on a systematic basis.

The entire amount of the cumulative effect through March 31, 2000 in the amount of ¥11,197 million *($90,371 thousand)* is being amortized over a 5-year period and charged to "Other Income Expenses" from the year ended March 31, 2001. As a result of adopting the new standard, the net pension expense and "Loss before Income Taxes and Minority Interests" increased by ¥2,568 million *($20,726 thousand)* for the year ended March 31, 2001.
(8) Research and Development Costs, and Computer Software
Until the year ended March 31, 1999, development expenses for new products and technology for new business were deferred and amortized on a straight-line basis over a 5-year period.

Testing and research expenses associated with existing products, however, were charged to income as incurred.

Effective April 1, 1999, the Company adopted the new accounting standard for research and development costs. This standard requires that research and development costs be charged to income when incurred. On implementing this new standard, the Company immediately charged ¥2,873 million, which represented the cumulative effect of the policy for years prior to April 1, 1999, to "Other Income Expenses" for the year ended March 31, 2000.

Expenditure on computer software developed for internal use is charged to income when incurred, except when it contributes to the generation of income or to future cost savings. Such expenditure is capitalized as an asset and amortized using the straight-line method over its estimated useful life of 5 years.
(9) Income Taxes
Income taxes payable are provided for on the basis of income tax returns. Deferred income taxes are recorded for the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.
(10) Leases
Finance leases, other than those in which the ownership of the leased assets is deemed to transfer to the lessees, are accounted for using a method similar to that applicable to operating leases.
(11) Foreign Currency Translation
With effect from the year ended March 31, 2001, the Company and its consolidated subsidiaries adopted the amended Japanese financial accounting standard for foreign currency translation. Under the amended standard, current and non-current monetary items denominated in foreign currencies are translated into Japanese yen at exchange rates in effect at the respective balance-sheet dates. Exchange gains or losses are credited or charged to current operations.

Previously, non-current monetary items denominated in foreign currencies were translated at the exchange rate on the date the transactions were recorded. Adoption of the amended standard increased "Loss before Income Taxes and Minority Interests" for the year ended March 31, 2001 by ¥163 million *($1,316 thousand)*.

Financial statements expressed in foreign currencies are translated into Japanese yen at the exchange rate in effect at the balance-sheet date.

Due to the application of the amended standard, the "Foreign currency translation adjustment" account, which was previously shown under assets, is recorded as a separate component of shareholders' equity at March 31, 2001.
(12) Consumption Tax
Consumption tax is imposed, with certain exemptions, at a flat rate of 5% on all domestic consumption of goods and services. Consumption tax is recorded separately and is not included in each profit or loss account.
(13) Appropriation of Retained Earnings (Disposal of Accumulated Deficit)
Under the Japanese Commercial Code and the Articles of Incorporation of the Company, the plan for appropriation of retained earnings, (a disposal of an accumulated deficit) including cash dividend payments, which is proposed by the Board of Directors, should be approved at the shareholders' meeting which must be held within 3 months after the end of each financial year. Therefore the appropriation of retained earnings (a disposal of the accumulated deficit) is to be reflected in the consolidated statements of shareholders' equity for the immediately financial year when such appropriation or disposal has been approved at the shareholders' meeting.
(14) Net Income per Share
Net income per share of common stock is based upon the weighted average number of shares of common stock outstanding during the respective year.

Because there is no dilutive effect on the net income per share, resulting from convertible notes diluted net income per share has not been disclosed for the years ended March 31, 2001 and 2000.

3. United States Dollar Amounts

The dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating yen to dollars on the basis of ¥123.9=U.S.$1, the approximate effective rate of exchange on March 31, 2001. The inclusion of such dollar amounts is solely for convenience and is not intended to imply that the yen amounts have been or could have been converted, realized or settled in dollars at this or any other rate.

4. Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2001 and 2000 consisted of:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Cash and bank deposits	**¥12,334**	¥26,188	***$99,548***
Less: time deposits with an original maturity of more than 3 months	**(2)**	(17)	***(16)***
Specified money trusts	**—**	(4,096)	**—**
Cash and cash equivalents	**¥12,332**	¥22,075	***$99,532***

5. Marketable Securities and Investments in Securities

Investments in debt and equity securities that have a readily determinable fair value at March 31, 2001 and which are included in "Investments in securities" are summarized as follows:

	Millions of yen			
	Cost	Fair value	Gross unrealized gains	Gross unrealized losses
Held-to-maturity debt securities:	**—**	**—**	**—**	**—**
Other securities :				
Marketable equity securities	**¥7,600**	**¥6,724**	**¥188**	**¥1,064**
Fund trust	**375**	**375**	**—**	**—**
Total other securities	**7,975**	**7,099**	**188**	**1,064**
	¥7,975	**¥7,099**	**¥188**	**¥1,064**

	Thousands of U.S. Dollars			
	Cost	Fair value	Gross unrealized gains	Gross unrealized losses
Held-to-maturity debt securities:	**—**	**—**	**—**	**—**
Other securities :				
Marketable equity securities	***$61,339***	***$54,269***	***$1,527***	***$8,595***
Fund trust	***3,027***	***3,027***	***—***	***—***
Total other securities	***64,366***	***57,296***	***1,527***	***8,595***
	$64,366	***$57,296***	***$1,527***	***$8,595***

The proceeds from sales of other securities for the year ended March 31, 2001 were ¥612 million *($4,939 thousand)*. The gross realized gains and losses on those sales were ¥412 million *($3,325 thousand)* and ¥25 million *($202 thousand)*, respectively, for the year ended March 31, 2001.

Presentation of comparative information as of and for the year ended March 31, 2000 is not required.

Aggregate costs of contractual maturities for investments in securities classified as other securities at March 31, 2001 are summarized as follows:

	Millions of yen	*Thousands of U.S. Dollars*
Due within 1 year	**—**	**—**
Due after 1 year through 5 years	**¥375**	***$3,026***
Due after 5 years through 10 years	**—**	**—**
	¥375	***$3,026***

Market value information on marketable securities and investment securities held by the Company and its consolidated subsidiaries at March 31, 2000 is summarized as follows:

	Millions of yen		
	Carrying value	Market value	Unrealized gain (loss)
Marketable securities: (current portfolio)			
Corporate shares	¥222	¥229	¥7
Other	1,465	953	(512)
	¥1,687	¥1,182	¥(505)
Investment securities: (non-current portfolio)			
Corporate shares	¥17,358	¥14,748	¥(2,610)
Bonds and debentures	10	10	0
	¥17,368	¥14,758	¥(2,610)

	Thousands of U.S. Dollars		
	Carrying value	Market value	Unrealized gain (loss)
Marketable securities: (current portfolio)			
Corporate shares	*$ 1,792*	*$1,848*	*$ 56*
Other	*11,824*	*7,692*	*(4,132)*
	$13,616	*$9,540*	*$(4,076)*
Investment securities: (non-current portfolio)			
Corporate shares	*$140,097*	*$119,031*	*$(21,066)*
Bonds and debentures	*81*	*81*	*—*
	$140,178	*$119,112*	*$(21,066)*

6. Information on Derivatives

The Company and certain subsidiaries use derivative financial instruments, which comprise interest rate swap and interest cap transactions to reduce their exposure to market risks from fluctuations in interest rates. The Company and the relevant subsidiaries do not hold or issue financial instruments for trading or speculative purposes.

Although the Company and the relevant subsidiaries may be exposed to losses in the event of non-performance by counterparties or interest rate fluctuations, no significant losses are anticipated from the arrangements described above.

The Company's Board of Directors decides the limit on the volume of derivative transactions (swap transactions) annually, and management in charge of derivative transactions (swap transactions) report to the Board of Directors quarterly on transactions entered into in the quarter.

The Company and the relevant subsidiaries have some interest rate swap and interest cap transactions with the financial institutions. These transactions are arranged to hedge against exposure to interest rate fluctuations on the outstanding debt on the balance sheet.

The interest rate swap and interest cap contracts outstanding at March 31, 2000 are summarized below. Presentation of such information at March 31, 2001 is not required as hedge accounting has been applied, as explained in Note 2 (3), to all interest swap and interest cap contracts outstanding at March 31, 2001.

	Millions of yen		
	Contract value	Fair value	Valuation gain (loss)
Interest rate swap transactions:			
Receipt floating rate payment fixed rate	**¥6,300**	**¥(122)**	**¥(122)**
Receipt fixed rate payment floating rate	**5,130**	**(0)**	**(0)**
Interest cap transactions:			
Purchased	**680**	**—**	**—**
[Premium fees paid]	**[22]**	**[9]**	**(13)**
Total gain (loss)			**¥(135)**

	Thousands of U.S. Dollars		
	Contract value	Fair value	Valuation gain (loss)
Interest rate swap transactions:			
Receipt floating rate payment fixed rate	***$50,847***	***$(985)***	***$(985)***
Receipt fixed rate payment floating rate	***41,404***	***(0)***	***(0)***
Interest cap transactions:			
Purchased	***5,488***	***—***	***—***
[Premium fees paid]	***[178]***	***[73]***	***(105)***
Total gain (loss)			***$(1,090)***

"Contract value (a notional amount)" does not represent actual credit risk or market risk. "Fair value" and "Valuation gain (loss)" do not represent actual receipt or payment amounts in the future, but are these quoted by the relevant financial institutions.

7. Inventories

Inventories at March 31, 2001 and 2000 consisted of:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Products	**¥14,447**	¥14,798	***$116,602***
Semi-finished products	**4,561**	4,799	***36,812***
Raw materials and supplies	**12,309**	13,327	***99,346***
	¥31,317	¥32,924	***$252,760***

8. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans outstanding at March 31, 2001 and 2000 generally represented notes with several months maturities issued by the Company and its consolidated subsidiaries to banks, bearing interest at a weighted average annual rate of 1.4% and 1.1% at March 31, 2001 and 2000, respectively. Customarily these notes are renewed at maturity, subject to renegotiation of interest rates and other factors.

Long-term debt at March 31, 2001 and 2000 consisted of the following:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Long-term borrowings from banks and other financial institutions secured by collateral/mortgages, bearing interest at a weighted average annual rate of 2.2% and 2.1% at March 31, 2001 and 2000, respectively, due through 2020 in installments	**¥50,800**	¥60,157	***$410,008***
2.2% convertible mortgage notes due March 2003 in yen	**2,687**	2,687	***21,687***
2.5% convertible mortgage notes due March 2004 in yen	**5,539**	5,539	***44,705***
2.0% convertible mortgage notes due March 2005 in yen	**5,810**	5,894	***46,893***
	64,836	74,277	***523,293***
Less: portion due within one year	**(11,511)**	(29,874)	***(92,906)***
	¥53,325	¥44,403	***$430,387***

Additional information with respect to the Company's convertible notes outstanding at March 31, 2001 is as follows:

Description	Issued in	Initial principal	Terms of conversion at March 31, 2000: Conversion price per share (*1)	Number of shares issuable upon full conversion	Other conditions
		(millions)		(in thousands)	
2.2% convertible mortgage notes due March 2003 in yen	Dec. 1987	**¥10,000**	**¥880.1**	**3,053**	(*2) (*3)
2.5% convertible mortgage notes due March 2004 in yen	Dec. 1988	**¥10,000**	**¥947.8**	**5,844**	(*2) (*4)
2.0% convertible mortgage notes due March 2005 in yen	Feb. 1990	**¥15,000**	**¥1,210.0**	**4,801**	(*2) (*5)
				¥13,698	

(*1) Subject to adjustment for subsequent free share distribution or in other circumstances.

(*2) Can be repurchased at any time and may be redeemed in whole or in part at prices equivalent to the principal amount plus premiums at prescribed percentages of the principal.

(*3) Annual sinking fund payments are required as follows: ¥500 million on March 31, 1997 and 1998, ¥1,000 million on March 31, 1999 and 2000 and ¥1,500 million on March 31, 2001 and 2002, reduced by subsequent conversions, repurchases and redemptions.

(*4) Annual sinking fund payments are required as follows: ¥500 million on March 31, 1998 and 1999, ¥1,000 million on March 31, 2000 and 2001 and ¥1,500 million on March 31, 2002 and 2003, reduced by subsequent conversions, repurchases and redemptions.

(*5) Annual sinking fund payments are required as follows: ¥750 million on March 31, 1999 and 2000, ¥1,500 million on March 31, 2001 and 2002 and ¥2,250 million on March 31, 2003 and 2004, reduced by subsequent conversions, repurchases and redemptions.

The Company's and its consolidated subsidiaries' assets pledged as collateral for short and long-term debt at March 31, 2001 are summarized as follows:

	Millions of Yen	*Thousands of U.S. Dollars*
Property, plant and equipment, net of accumulated depreciation:		
Buildings and structures	**¥27,887**	***$225,077***
Machinery and equipment	**57,928**	***467,538***
Land	**21,042**	***169,831***
	¥106,857	***$862,446***
Investments in securities and other	**¥4,954**	***$39,984***

The aggregate annual maturities of long-term debt outstanding at March 31, 2001 during the succeeding 5-year period are as follows:

Year ending March 31,	Millions of Yen	*Thousands of U.S. Dollars*
2002	**¥11,511**	***$92,906***
2003	**17,013**	***137,312***
2004	**17,964**	***144,988***
2005	**14,216**	***114,737***
2006	**1,650**	***13,317***
2007 and after	**2,482**	***20,033***
	¥64,836	***$523,293***

9. Retirement Plan

The following table sets forth the benefit obligation, plan assets and funded status of the Company and its consolidated subsidiaries at March 31, 2001:

	Millions of Yen	*Thousands of U.S. Dollars*
Projected benefit obligation	**¥26,458**	***$213,543***
Fair value of plan assets	**(9,725)**	***(78,491)***
Benefit obligation in excess of plan assets	**16,733**	***135,052***
Unrecognized prior service cost	**1,088**	***8,781***
Unrecognized actuarial net loss	**(1,732)**	***(13,979)***
Unrecognized net transition obligation	**(8,958)**	***(72,300)***
Accrued retirement benefits recognized in the consolidated balance sheet	**¥7,131**	***$57,554***

Severance and retirement expenses of the Company and its consolidated subsidiaries included the following components for the year ended March 31, 2001:

	Millions of Yen	*Thousands of U.S. Dollars*
Service cost	**¥999**	***$8,063***
Interest cost	**905**	***7,304***
Expected return on plan assets	**(370)**	***(2,986)***
Amortization of prior service cost	**(272)**	***(2,195)***
Amortization of net transition obligation	**2,239**	***18,071***
Net benefit expense	**¥3,501**	***$28,257***

In addition to the above benefit expense, the Company and its consolidated subsidiaries paid retirement benefits to resigned employees of ¥399 million *($3,220 thousand)* during the year ended March 31, 2001.

Assumptions used in accounting for the defined benefit plans for the year ended March 31, 2001 are as follows:

	2001
Discount rate	3.50%
Expected rate of return on plan assets	3.50%
Method of attributing the projected benefits to periods of service	Straight-line basis
Amortization of unrecognized prior service cost	5 years
Amortization of unrecognized actuarial differences (amortization starts in the year following the year in which the differences arise)	13 years

Presentation of comparative information with respect to the above for the year ended March 31,
2000 is not required.

10. Contingent Liabilities and Lease Commitments

At March 31, 2001, the Company was contingently liable for guarantees amounting to ¥302 million *($2,447 thousand)* and forward guarantees amounting to ¥1,269 million *($10,242 thousand)* for the loans and other debt of affiliates.

In addition, contingent liabilities at March 31, 2001 for notes discounted and endorsed in the ordinary course of business amounted to ¥3,410 million *($27,522 thousand)* and ¥27 million *($218 thousand)*, respectively.

The Company and its consolidated subsidiaries have various lease contracts as a lessor or a lessee. Certain key information on finance lease contracts, which are not deemed to transfer the ownership of the leased assets, for the years ended March 31, 2001 and 2000 is as follows:

For a lessee contracts, assumed data as to acquisition cost, accumulated depreciation, net book value and the depreciation expense of leased assets, which includes the portion of interest thereon at March 31, 2001 and 2000, is summarized as follows:

	Millions of Yen						*Thousands of U.S. Dollars*		
	2001			2000			***2001***		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	**¥3,115**	**¥2,071**	**¥1,044**	¥3,143	¥1,302	¥1,841	***$25,141***	***$16,715***	***$8,426***
Others	**484**	**259**	**225**	578	311	267	***3,906***	***2,090***	***1,816***
	¥3,599	**¥2,330**	**¥1,269**	¥3,721	¥1,613	¥2,108	***$29,047***	***$18,805***	***$10,242***

	Millions of Yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Depreciation	**¥652**	¥703	***$5,262***

Depreciation is calculated using the straight-line method over the lease term of the leased assets.

The scheduled maturities of future lease rental payments on such lease contracts at March 31, 2001 and 2000 were as follows:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Due within one year	**¥578**	¥627	***$4,665***
Due after one year	**691**	1,481	***5,577***
	¥1,269	¥2,108	***$10,242***
Lease rental expenses for the year	**¥652**	¥703	***$5,262***

For lessor contracts, acquisition cost, accumulated depreciation, net book value and the depreciation expense of leased assets, which includes the portion of interest thereon at March 31, 2001 and 2000, can be summarized as follows:

	Millions of Yen						*Thousands of U.S. Dollars*		
	2001			2000			***2001***		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	**¥829**	**¥298**	**¥531**	¥900	¥267	¥633	***$6,691***	***$2,405***	***$4,286***
Others	**457**	**199**	**258**	513	161	352	***3,688***	***1,606***	***2,082***
	¥1,286	**¥497**	**¥789**	¥1,413	¥428	¥985	***$10,379***	***$4,011***	***$6,368***

	Millions of Yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Depreciation	**¥184**	¥193	***$1,485***

The scheduled maturities of future lease rental receipts on such lease contracts at March 31, 2001 and 2000 were as follows:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Due within one year	**¥240**	¥283	***$1,937***
Due after one year	**477**	665	***3,850***
	¥717	¥948	***$5,787***
Lease rental expenses for the year	**¥290**	¥236	***$2,341***

11. Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consisted of corporate income tax (national), enterprise tax (local) and resident income taxes (local), which in aggregate result in normal statutory rates of approximately 41.8% and 41.8% for the years ended March 31, 2001 and 2000, respectively. Foreign consolidated subsidiaries are subject to the income taxes of the countries in which they operate.

During the years ended March 31, 2001 and 2000, the Company incurred a loss for both financial reporting and tax reporting purposes. Under current Japanese tax law, a loss is not allowed to be carriedback, but may be carried forward for offset against taxable income in the subsequent 5-year period.

The components of deferred tax assets and deferred tax liabilities at March 31, 2001 and 2000 are as follows:

	Millions of yen		*Thousands of U.S. Dollars*
	2001	2000	***2001***
Deferred tax assets due to:			
Depreciable assets	**¥729**	¥670	***$5,884***
Accrued Employees' Retirement Benefits	**2,707**	2,158	***21,848***
Accrual for loss on restructuring measures	**832**	141	***6,715***
Loss carryforwards	**18,279**	21,377	***147,530***
Other	**8,559**	6,668	***69,080***
Gross deferred tax assets	**31,106**	31,014	***251,057***
Valuation allowance	**(11,283)**	(16,295)	***(91,065)***
Total deferred tax assets	**19,823**	14,719	***159,992***
Deferred tax liabilities due to:			
Special tax purpose reserve	**—**	(1,339)	***—***
Other	**—**	(329)	***—***
Total deferred tax liabilities	**—**	(1,668)	***—***
Net deferred tax assets	**¥19,823**	¥13,051	***$159,992***

12. Related Party Transactions

Sales to and purchases from NSC for the years ended March 31, 2001 and 2000 were as follows:

	Millions of yen		*Thousands of U.S. Dollars*
Transactions with NSC:	**2001**	2000	***2001***
Sales	**¥68,048**	¥67,223	***$549,217***
Purchases (cost of sales)	**47,897**	49,490	***386,578***

Transactions of a material nature, other than the sales and purchases shown above, made by the Company and its consolidated subsidiaries with its unconsolidated subsidiaries and affiliates for the years ended March 31, 2001 and 2000 are as follows:

	Millions of yen		*Thousands of U.S. Dollars*
Other Related Party Transactions:	**2001**	2000	***2001***
Loss on discharge of receivables of an unconsolidated subsidiary in liquidation	**¥—**	¥7,148	***$—***
Sales of inventories and property in connection with the business transfer to an affiliate	**—**	7,740	***—***

13. Research and Development Expenses

Research and development expenses charged to income for the years ended March 31, 2001 and 2000 amounted to ¥2,271 million *($18,329 thousand)* and ¥1,994 million, respectively.

14. Losses Recognized Under the Mid-Term Management Plan 1997

During the year ended March 31, 1997, the Company established the "Mid-Term Management Plan 1997 ("the Plan")" aimed at the restructuring of business operations, for improved efficiency and cost reductions.

Under the Plan, a decision was made to liquidate several unprofitable subsidiaries and affiliates of the Company and in connection therewith, the Company made an accrual for the losses to be recognized upon ultimate dissolution of these group companies for ¥14,771 million during the year ended March 31, 1997.

The Plan also requires the take-down and disposal of the production facilities of certain unprofitable business segments, which are scheduled to be discontinued.

The Plan also includes measures for the disposal of the products and the termination of the research and development activities of the above unprofitable segments.

During the year ended March 31, 2001, the Company reviewed the "Mid-Term Management Plan 1997", and recorded the loss resulting from transfer of certain business segments as follows:

	Millions of yen	*Thousands of U.S. Dollars*
Provision for loss on restructuring measurements	**¥1,647**	***$13,293***
Loss on retairment of production facilities	**1,127**	***9,096***
	¥2,774	***$22,389***

15. Land Revaluation

In accordance with the Law concerning Revaluation of Land enacted on March 31, 1998 and amended on March 31, 1999, land owned by the Company and used for business was revalued as of March 31, 2000, and the unrealized gain on the revaluation, net of deferred tax, was reported as "Reserve for Revaluation of Land" within "Shareholders' Equity". The related deferred tax was included in non-current liabilities as "Deferred Income Tax related to Land Revaluation" at March 31, 2000. As a result, total assets, total liabilities and shareholders' equity increased by ¥2,622 million, ¥1,101 million and ¥1,521 million, respectively, at March 31, 2000. As at March 31, 2000, the revaluation date, the book value of the land before revaluation was ¥4,985 million and after revaluation was ¥7,607 million.

Certain revalued pieces of land were sold during the year ended March 31,2001. As a result, part of the "Reserve for Revaluation of Land", amounting to ¥164 million *($1,323 thousand)*, was reclassified to "Accumulated Deficit". The excess of the book value over the market value of the remaining land after revaluation was ¥64 million *($516 thousand)* at March 31, 2001.

16. Segment Information

The Company and its consolidated subsidiaries' business segments, which are required to be disclosed pursuant to regulations on consolidated financial statements in Japan, consisted of the following, classified based upon marketing methods and internal operating segments:

(1) Carbon Materials and Industrial Gases
Manufacture and sale of coke, carbon materials, special carbon products, industrial gases, etc.
(2) Basic Chemicals
Manufacture and sale of basic chemicals, styrene resins, plastic compounds and moldings, etc.
(3) Specialty Chemicals
Manufacture and sale of specialty and precision chemicals, paints, electronic materials, fine resins, etc.
(4) Other Businesses
Manufacture and sale of construction-related products, composite materials, various types of construction, distribution and trading, services, analysis, etc.

Segment information by business segment for the years ended March 31, 2001 and 2000 is summarized as follows:

	Millions of yen						
	Carbon materials and industrial gases	Basic chemicals	Specialty chemicals	Other businesses	Total	Elimination and Corporate assets*	Consolidated
2001:							
Net sales							
Outside customers	**¥86,748**	**¥122,681**	**¥42,036**	**¥44,904**	**¥296,369**	**¥ —**	**¥296,369**
Inter-segment sales	**3,758**	**3,576**	**2,786**	**10,932**	**21,052**	**(21,052)**	**—**
Total	**90,506**	**126,257**	**44,822**	**55,836**	**317,421**	**(21,052)**	**296,369**
Operating expenses	**87,349**	**121,578**	**42,363**	**55,859**	**307,149**	**(21,068)**	**286,081**
Operating income (loss)	**¥ 3,157**	**¥ 4,679**	**¥ 2,459**	**¥ (23)**	**¥ 10,272**	**¥ 16**	**¥ 10,288**
Assets, depreciation and capital expenditures:							
Assets	**¥78,206**	**¥100,835**	**¥61,887**	**¥50,782**	**¥291,710**	**¥19,405**	**¥311,115**
Depreciation	**6,223**	**7,131**	**2,548**	**1,489**	**17,391**	**(29)**	**17,362**
Capital expenditures	**5,436**	**3,481**	**1,203**	**668**	**10,788**	**(13)**	**10,775**

	Millions of yen						
	Carbon materials and industrial gases	Basic chemicals	Specialty chemicals	Other businesses	Total	Elimination and Corporate assets*	Consolidated
2000:							
Net sales							
Outside customers	¥87,835	¥104,355	¥42,396	¥41,876	¥276,462	¥ —	¥276,462
Inter-segment sales	3,083	4,459	3,189	12,450	23,181	(23,181)	—
Total	90,918	108,814	45,585	54,326	299,643	(23,181)	276,462
Operating expenses	88,489	104,104	43,195	54,834	290,622	(23,223)	267,399
Operating income (loss)	¥ 2,429	¥ 4,710	¥ 2,390	¥ (508)	¥ 9,021	¥ 42	¥ 9,063
Assets, depreciation and capital expenditures:							
Assets	¥85,276	¥104,007	¥64,809	¥53,003	¥307,095	¥30,128	¥337,223
Depreciation	6,428	7,752	2,591	1,805	18,576	(63)	18,513
Capital expenditures	2,776	4,472	1,011	1,002	9,261	(25)	9,236

	Thousands of U.S. Dollars						
	Carbon materials and industrial gases	Basic chemicals	Specialty chemicals	Other businesses	Total	Elimination and Corporate assets*	Consolidated
2001:							
Net sales							
Outside customers	***$700,145***	***$990,161***	***$339,274***	***$362,422***	***$2,392,002***	***$ —***	***$2,392,002***
Inter-segment sales	***30,331***	***28,862***	***22,486***	***88,232***	***169,911***	***(169,911)***	***—***
Total	***730,476***	***1,019,023***	***361,760***	***450,654***	***2,561,913***	***(169,911)***	***2,392,002***
Operating expenses	***704,996***	***981,259***	***341,913***	***450,839***	***2,479,007***	***(170,040)***	***2,308,967***
Operating income (loss)	***$ 25,480***	***$ 37,764***	***$ 19,847***	***$ (185)***	***$ 82,906***	***$ 129***	***$ 83,035***
Assets, depreciation and capital expenditures:							
Assets	***$631,203***	***$813,841***	***$499,492***	***$409,863***	***$2,354,399***	***$156,618***	***$2,511,017***
Depreciation	***50,226***	***57,554***	***20,565***	***12,018***	***140,363***	***(234)***	***140,129***
Capital expenditures	***43,874***	***28,095***	***9,709***	***5,392***	***87,070***	***(105)***	***86,965***

*Inter-segment transactions are eliminated from the consolidated financial statements. Corporate assets of ¥24,185 million *($195,198 thousand)* and ¥35,227 million at March 31, 2001 and 2000, respectively, were included in the consolidated financial statements. Major corporate assets consisted of parent company surplus funds and deferred assets.

As described in Note 2 to the consolidated financial statements, the Company and its consolidated subsidiaries adopted the new or amended accounting standards for financial instruments, employees' retirement benefits, and foreign currency translation. As a result, the following items for the year ended March 31, 2001 increased or decreased as compared with the amounts which would have been reported had the previous methods been applied:

	Millions of yen						
	Carbon materials and industrial gases	Basic chemicals	Specialty chemicals	Other businesses	Total	Elimination and Corporate assets	Consolidated
Adoption of employees' retirement benefit accounting							
Increase (decrease) in operating income or loss	**¥ (336)**	**¥ (193)**	**¥(204)**	**¥ (47)**	**¥ (780)**	**¥—**	**¥ (780)**
Adoption of financial instrument accounting							
Increase (decrease) in assets	**(2,071)**	**(3,494)**	**(479)**	**(848)**	**(6,892)**	**—**	**(6,892)**
Adoption of amended foreign currency translation accounting							
Increase (decrease) in assets	**63**	**76**	**(78)**	**4**	**65**	**—**	**65**

	Thousands of U.S. Dollars						
	Carbon materials and industrial gases	Basic chemicals	Specialty chemicals	Other businesses	Total	Elimination and Corporate assets	Consolidated
Adoption of employees' retirement benefit accounting							
Increase (decrease) in operating income or loss	***$ (2,712)***	***$(1,558)***	***$(1,646)***	***$ (379)***	***$ (6,295)***	***$—***	***$ (6,295)***
Adoption of financial instrument accounting							
Increase (decrease) in assets	***(16,715)***	***(28,200)***	***(3,866)***	***(6,844)***	***(55,625)***	***—***	***(55,625)***
Adoption of amended foreign currency translation accounting							
Increase (decrease) in assets	***508***	***613***	***(629)***	***33***	***525***	***—***	***525***

Segment information by geographic area for the years ended March 31, 2001 and 2000 is not disclosed pursuant to regulations on consolidated financial statements in Japan, as both net sales and assets in Japan were more than 90% of consolidated net sales and assets.

Information on overseas sales, which consisted of export sales by the Company and its domestic subsidiaries and overseas sales of overseas consolidated subsidiaries, for the years ended March 31, 2001 and 2000 is summarized as follows:

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
2001:					
Overseas sales	**¥3,996**	**¥5,052**	**¥39,141**	**¥141**	**¥48,330**
Consolidated net sales					**¥296,369**
Percentage of overseassales against consolidated net sales	**1.4%**	**1.7%**	**13.2%**	**0.0%**	**16.3%**

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
2000:					
Overseas sales	¥6,891	¥7,367	¥28,370	¥176	¥42,804
Consolidated net sales					¥276,462
Percentage of overseassales against consolidated net sales	2.5%	2.7%	10.2%	0.1%	15.5%

	Thousands of U.S. Dollars				
	North America	Europe	Asia	Other areas	Total
2001:					
Overseas sales	***$32,252***	***$40,775***	***$315,908***	***$1,138***	***$390,073***
Consolidated net sales					***$2,392,002***
Percentage of overseassales against consolidated net sales	***1.4%***	***1.7%***	***13.2%***	***0.0%***	***16.3%***

17. Subsequent Events

Disposal of the accumulated deficit of the Company in respect of the year ended March 31, 2001 proposed by the Board of Directors and approved at the shareholders' meeting held on June 27, 2001 is as follows:

	Millions of yen	*Thousands of U.S. Dollars*
Deficit at March 31, 2001	**¥(14,822)**	***$(119,628)***
Deficit to be carried forward to next year	**¥(14,822)**	***$(119,628)***

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors Nippon Steel Chemical Co., Ltd.

We have audited the accompanying consolidated balance sheets of Nippon Steel Chemical Co., Ltd. and its consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity, and of cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with the auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Steel Chemical Co., Ltd. and its consolidated subsidiaries as of March 31, 2001 and 2000, and the consolidated results of their operations and cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis, except for the change, with which we concur, in respect of the scope of cash equivalents for the purposes of the consolidated statements of cash flows as described in Note 2 (2) to the consolidated financial statements.

As explained in Note 2 (3), (7) and (11) to the consolidated financial statements, with effect from the year ended March 31, 2001, the Company and its consolidated subsidiaries have adopted the amended or new Japanese financial accounting standards for financial instruments, employees' retirement benefits and foreign currency translation.

The amounts expressed in U.S. dollars, provided solely for the convenience of the reader, have been translated on the basis set forth in Note 3 to the consolidated financial statements.

ChuoAoyama Audit Corporation

ChuoAoyama Audit Corporation

June 27, 2001
Tokyo, Japan

Corporate Directory

ORGANIZATION CHART

HEAD OFFICE

Personnel Department

General Administration Department

Corporate Planning Department

Budget, Accounts & Finance Department

Purchase & Physical Distribution Department

Technical Department

- Market Development Section

Environment, Safety & Quality Assurance Department

Kisarazu Development Center

Research & Development Laboratories

- Fundamental Materials Research & Development Center
- Specialty Materials Research & Development Center
- Process Development & Engineering Center

Carbon Materials & Gas Division

- Coke Department
- Kimitsu Works
- Carbon Materials Department
- Gas Department

Chemicals Division

- Basic Chemicals Department I
  Oita Factory
  Sakai Phthalic Anhydride Plant
- Basic Chemicals Department II
- Plastics Department

Specialty Chemicals Division

Planning & Administration Section
- Specialty Chemicals Department
  OEL Section
  Tribology Center
- Fine Chemicals Department
- Paints Department
  Kisarazu Paint Plant

Composite Materials Division

- Prepreg Plant

Advanced Materials Division

- California Branch
- Kisarazu Works
- Electronic Materials Research & Development Laboratories

Construction Materials Department

BRANCHES

Kyushu Branch

Osaka Branch

Nagoya Branch

SALES OFFICES

Hikari Sales Office

Hirohata Sales Office

Tokai Sales Office

Muroran Sales Office

WORKS

Kyushu Works

Hirohata Works

BOARD OF DIRECTORS

Chairman

Takaki Yamatoya

President

Tsuneyoshi Nishi

Vice President

Kouji Kadotani

Managing Directors

Takao Nakanishi

Masateru Nose

Takashi Mizuno

Yoshiharu Horita

Director and Advisor

Rokuro Suehiro

Directors

Haruhiko Aoi

Kazuhiro Mikoshi

Hiroshi Yasunaga

Junichi Kikuchi

Hidehiro Katahira

Tadashi Komoto

Standing Auditor

Junji Komatsu

Auditors

Satoshi Ushiyama

Tetsuo Seki

Atsushi Suganuma

MAJOR PRODUCTS

Carbon Materials and Industrial Gases

Metallurgical coke, pitch coke, pitch, creosote oil, industrial gases (hydrogen, argon, oxygen, nitrogen, carbon dioxide), carbon black, specialty carbon product

Basic Chemicals

Benzene, toluene, xylene, cyclohexane, styrene monomer, ammonium sulfate, naphthalene, phthalic anhydride, ammonia, phenol, bisphenol A, methanol, styrene resin

Specialty Chemicals

Medical and agricultural raw material and intermediate, information recording material, dye and pigment material and intermediate, functional resin and material, coumarone resin, perfume material, electronic material and raw material, special solvent, heat-transfer medium, high-performance synthetic lubricant, marine paint, industrial equipment and steel water piping paint, circuit board material, display material, semiconductor material

Construction Materials and Others

Composite material,
wooden sound-insulation flooring,
rock wool, ceramic fiber,
cable fire-resistant material,
blast-furnace slag cement, blast-furnace slag fine powder, self-leveling cement mortar,
mortar filler for reinforcing bridge pier

MAJOR SUBSIDIARIES

NSCC Trading Co., Ltd.
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

NSCC Polymer Co., Ltd.
598 Owada Shinden, Yachiyo, Chiba Pref. 276-0046

Shinnikka Environmental Engineering Co., Ltd.
46-80, Oaza Nakabaru Sakinohama Tobata-ku, Kita-Kyushu, Fukuoka Pref. 804-0002

Nippon Steel Chemical Rockwool Co., Ltd.
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

Nippon Thermal Engineering Corporation
4-16, Yuubarumachi Yawatanishi-ku, Kita-Kyushu, Fukuoka Pref. 807-0813

Nippon Elec Co., Ltd.
5-14-17, Himonya Meguro-ku, Tokyo 152-0003

NSCC Techno-Carbon Co., Ltd.
62-6, Osatocho Kawauchi Aza Nakasoneyama Kurokawa-gun, Miyagi Pref. 981-3514

Nippon Steel Chemical Carbon Co., Ltd.
2-1-11, Nihonbashi Kayabacho Chuo-ku, Tokyo 103-0025

Nippon Phenol Co., Ltd.
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

Nippon Rockool Corporation
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

Nippon Bisphenol Co., Ltd.
46-80, Oaza Nakabaru Sakinohama Tobata-ku, Kita-Kyushu, Fukuoka Pref. 804-0002

Nippon Styrene Monomer Co., Ltd.
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

SA Carbon Co., Ltd.
46-94, Oaza Nakabaru Sakinohama Tobata-ku, Kita-Kyushu, Fukuoka Pref. 804-0002

Tohto Kasei Co., Ltd.
1-4-16, Nihonbashi Bakurocho Chuo-ku, Tokyo 103-0002

Shinnikka Thermal Ceramics Corporation
7-21-11, Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031

Nitto Lite Co., Ltd.
1475, Fukutomishinmachi, Ashikaga, Tochigi Pref. 326-0332

Kyushu Aromatics Co., Ltd.
2-1-1, Uchisaiwaicho Chiyoda-ku, Tokyo 100-0011

NSCC Compounds (Malaysia) Sdn. Bhd.
Lot 72, Jalan Sementa 27/91 Section 27, 40400 Shah Alam Selangor D.E., Malaysia

NSCC ASIA Ltd.
Room F, 5F, Cameron Plaza, 23 Cameron Road, Tsim Sha Tsui, Kowloon, Hong Kong, China

Meiyang Hong Kong Ltd.
Room F, 5F, Cameron Plaza, 23 Cameron Road, Tsim Sha Tsui, Kowloon, Hong Kong, China

Shenzhen Meiyang Plastic Ltd.
Che Gong Miao Industrial District, Shenzhen, China

Kumho P&B Chemicals, Inc.
Kumho Bldg. 14 Fl, #57 Shinmunro 1-Ga, Jongro-Gu, Seoul 110-061, Korea

Dalian Nitto Plastic Molding Co., Ltd.
1A-5-1, Free Trade Zone, Dalian, China