Remarks Concerning Media Reports of Expected Cost of Damage Caused by Explosion and Fire at Himeji Plant

NIPPON SHOKUBAI is deeply saddened by the loss of life resulting from the explosion and fire at the Himeji Plant on September 29 and extends its sincere condolences to family members. In addition, NIPPON SHOKUBAI extends its sincere apologies to the individuals who were injured by this accident and to the enormous problems this incident caused for people living near the plant and to other people associated with this incident.

There were media reports today concerning the estimated cost of damage caused by the accident at the Himeji Plant. At the press conference yesterday, the president of NIPPON SHOKUBAI made the following statement regarding the damage: "Without taking into consideration any offsetting insurance payments, if all production facilities at the Himeji Plant suspend operations, the opportunity loss will be approximately 150 million yen per day (about 4.5 billion yen per month). We have not yet determined the cost of repairing damaged facilities, but estimate this cost at about 5 billion yen."

At this time, it is not possible to estimate the losses caused by this accident and the effect on results of operations. An announcement will be made separately if a significant effect on results of operations is anticipated.

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