

December 19, 2007

To whom it may concern:

Name of company: Nippon Suisan Kaisha, Ltd.
Name of representative: Naoya Kakizoe, President & CEO
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Concerning the merger of a subsidiary

We are pleased to announce that Nippon Suisan Kaisha, Ltd. has agreed, at the Board of Directors meeting held on December 19, 2007, to merge with its 100% owned subsidiary, Kyowa Technos Co., Ltd.

1. Purpose of the merger

Kyowa Technos Co., Ltd., sells active pharmaceutical ingredients starting materials manufactured at the head office/plant at Shibayama-machi, Sanbu-gun, Chiba Prefecture to the Company, as well as chitin/chitosan, waxes of marine origin and special materials taking advantage of metallic sodium technology. It also sells them as industrial-use materials to customers in various fields.

The Company has decided to merge with Kyowa Technos Co., Ltd. as of April 1, 2008 for the purpose of optimizing its oil logistics functions that are currently scattered across the Group through the consolidation of Kyowa Technos' main office/plant businesses into the Company's Kashima Plant (Kamisu-shi, Ibaraki Prefecture) and through the integration of the Company's and Kyowa Technos' functions for the production of fine chemicals ingredients, as well as fostering growth of the fine chemicals business and improving its profitability through the "making a choice and concentration" of businesses and the sophistication of development functions.

2. Outline of the merger

(1) Schedule of the merger

Board of Directors meeting to approve merger	December 19, 2007
Conclusion of merger agreement	December 19, 2007
Shareholders meeting to approve merger	
Nippon Suisan Kaisha, Ltd. (Surviving company)	
This being a simplified merger pursuant to the provisions of Article 796, Paragraph 3 of the Company Law, no shareholders meeting shall be convened for the purpose of approving this merger.	
Kyowa Technos Co., Ltd. (Non-surviving company)	December 25, 2007 (Tentative)
Execution of merger (effective date)	April 1, 2008 (Tentative)

(2) Method of merger

Merger with the Company as the surviving company. Kyowa Technos Co., Ltd. will be dissolved.

(3) Handling of stock acquisition rights and bonds with subscription warrants of the non-surviving company

NA

3. Overview of the companies to be merged (As of March 31, 2007)

1. Trade name	Nippon Suisan Kaisha, Ltd. (Surviving company)	Kyowa Technos Co., Ltd. (Non-surviving company)
2. Main business	Marine products business, food business, fine chemicals business, etc.	Manufacturing and sales of oils, chemical products and seasonings
3. Date of establishment	March 31, 1943	August 1, 1951
4. Location of head office	2-6-2 Otemachi, Chiyoda-ku, Tokyo	2759-3 Koike, Shibayama-machi, Sanbu-gun, Chiba Prefecture
5. Representative	Naoya Kakizoe, President	Yoichi Sekiguchi, President
6. Capital	23,729 million yen	125 million yen
7. Total number of shares issued	277,210 thousand shares	250 thousand shares
8. Net assets	127,351 million yen (consolidated)	608 million yen
9. Total assets	404,173 million yen (consolidated)	2,114 million yen
10. End of fiscal year	March 31	March 31
11. Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd.: 6.7%, Japan Trustee Services Bank, Ltd.: 5.0%, Mizuho Corporate Bank, Ltd.: 4.9%, Sompo Japan Insurance Inc.: 3.7%, Mochida Pharmaceutical Co. Ltd.: 2.8%	Nippon Suisan Kaisha, Ltd.: 100%

4. Business status after merger

- (1) Trade name Nippon Suisan Kaisha, Ltd.
- (2) Main business Marine products business, food business, fine chemicals business, etc.
- (3) Location of head office
2-6-2 Otemachi, Chiyoda-ku, Tokyo
- (4) Representative Naoya Kakizoe, President
- (5) Capital There will be no increase in capital as a result of the merger
- (6) End of fiscal year March 31
- (7) Future effects of the merger
The effects of this merger on the non-consolidated results will be minimal. And since this constitutes a merger with a consolidated subsidiary, the consolidated results will not be affected.