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To Whom It May Concern:

Naoetsu Cellulosic Plant Explosion Report as of March 28

March 28, 2007

We would like to provide you with an updated report on the Naoetsu Cellulosic Plant which experienced an explosion accident on March 20. Any further information will be posted on our web-site at www.metolose.jp

We apologize for any inconvenience you may have experienced because of this accident.

Expected shipping time from inventory:

We started shipments on March 27, which, however, is being done on a very limited basis because (i) some of the inventory was damaged, (ii) parts of the plants remain subject to entry restrictions, and (iii) we need to inspect the condition and quality of each of the inventory items before shipping.

Concerning the status of inventory, we would like you to understand that we are unable to inform you of the details even if you enquire as we are afraid of causing further confusion.

Remarks:

Under the circumstances, we are still unable to accept any new orders including any orders previously placed by you but not yet confirmed by us.

The status of damages at each manufacturing plant producing cellulosic products remains unchanged from the status we posted on our home page on March 23. The timing of resumption of plant operations has not yet been determined.

Again, we apologize sincerely for the accident and for any inconvenience it may cause you.

Very truly yours,

Junichi Watanabe

Executive Officer, General Manager

Cellulose & Pharmaceutical Excipients Dept.