

**Summary of Financial Statements (Consolidated)**  
**First Quarter Update for the Fiscal Year Ending May 31, 2010**

September 30, 2009

Listed company: Nippon Kayaku Co., Ltd. (URL <http://www.nipponkayaku.co.jp/>)

Code No.: 4272

Listed stock exchange: Tokyo Stock Exchange, First Section

Representative: (Position) President, (Name) Koichiro Shimada

Person in charge of inquiries:

(Position) Executive Officer, General Manager of Finance & Accounting Division, Administration Group (Name) Ryoichi Araki

1. Consolidated Business Results for First Quarter of Fiscal Year Ending May 31, 2010 (June 1, 2009 – August 31, 2009)

(Figures shown are rounded down to the nearest million yen.)

(1) Consolidated Operating Results

(Percentages indicate amount of change from the previous year.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of fiscal year ending May 31, 2010	33,573	(8.0)	3,850	13.3	3,856	(12.5)
First quarter of fiscal year ended May 31, 2009	36,486	—	3,399	—	4,409	—

	First quarter net income		First quarter net income per share	First quarter diluted net income per share
	Millions of yen	%	Yen	Yen
First quarter of fiscal year ending May 31, 2010	2,057	45.4	11.34	11.32
First quarter of fiscal year ended May 31, 2009	1,415	—	7.80	7.70

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2009	203,284	126,867	56.9	637.04
As of May 31, 2009	203,998	125,812	56.0	629.12

Reference: Equity As of August 31, 2009: 115,640 million yen

As of May 31, 2009: 114,206 million yen

Equity consists of shareholders' equity and valuation and translation adjustments.

2. Status of Dividends

	Dividend amount per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Total
	Yen				
Fiscal year ended May 31, 2009	—	10.00	—	10.00	20.00
Fiscal year ending May 31, 2010	—	—	—	—	—
Fiscal year ending May 31, 2010 (forecast)	—	10.00	—	10.00	20.00

Note: Corrections in this quarter to the expected dividend: None

3. Consolidated Business Results Forecast for Fiscal Year Ending May 2010 (June 1, 2009 – May 31, 2010)

(For the full year, percentages indicate amount of change from the previous year.)

For the first half, percentages indicate the change from the first half in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	68,000	(8.1)	7,000	3.7	7,000	22.9	3,500	94.9	19.28
Full year	138,500	3.1	13,600	45.2	13,600	68.5	7,200	93.6	39.66

Note: Corrections in this quarter to the forecast consolidated business results: Yes

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

#### 4. Other

- (1) Major changes in subsidiaries occurring during the fiscal period (changes in designated subsidiaries that involve changes in scope of consolidation): None  
Added: 0  
Removed: 0
- (2) Adoption of simplified accounting processes or special accounting processes for creation of the quarterly consolidated financial statements: None
- (3) Changes to accounting principles, procedures, methods of notation, or other items related to creation of the consolidated financial statements (listed as changes to major items that form the basis for creation of the quarterly consolidated financial statements)
  - [1] Changes involving revision of accounting standards or similar items: None
  - [2] Changes other than [1]: None
- (4) Number of shares issued (common stock)
  - [1] Number of shares issued at end of the fiscal period (including treasury stock)  
As of August 31, 2009: 182,503,570 shares  
As of May 31, 2009: 182,503,570 shares
  - [2] Number of treasury stock shares at end of the fiscal period  
As of August 31, 2009: 977,039 shares  
As of May 31, 2009: 968,665 shares
  - [3] Average number of shares during the fiscal period  
First quarter of fiscal year ending May 31, 2010: 181,528,881 shares  
First quarter of fiscal year ended May 31, 2009: 181,610,640 shares

\* Explanation related to appropriate use of the business results forecast, and other notes

1. The business results forecasts and other descriptions related to the future in this report are based on information that was obtainable as of the date this report was announced, and on assumptions pertaining to uncertain factors that can affect future business results. The actual business results may vary greatly due to a variety of future factors. For details on the business results forecast, refer to “3. Qualitative Information Concerning the Consolidated Results Forecast” under [Qualitative Information, Financial Statements and Other Information] on page 5.

## [Qualitative Information, Financial Statements and Other Information]

### 1. Qualitative Information Concerning the Consolidated Business Results

The economy of Japan during the first quarter of this fiscal year (June 1, 2009 to August 31, 2009) showed signs of having hit bottom, with a recovery seen in export-centered demand in some areas due in part to the effects of the economic stimulus packages enacted by many countries in response to the global economic slowdown. However, demand has not yet made a full recovery, and the future remains uncertain.

Under these conditions, the Nippon Kayaku Group strengthened profit structure through means such as product lineup restructuring and production site optimization. Despite these efforts, and although demand is starting to recover in the electric and electronic device, semiconductor, and automobile industries where the functional chemicals business and safety systems business operate, the results from both of these businesses were below the level of the same period in the previous fiscal year.

As a result, while first quarter sales in the pharmaceuticals business were strong, the functional chemicals business and safety systems business were affected by the slow demand and total sales were 33.573 billion yen, a decrease of 2.912 billion yen (8.0%) from the same period in the previous fiscal year.

Operating income was 3.850 billion yen, an increase of 451 million yen (13.3%) from the same period in the previous fiscal year, thanks to strong performance in the pharmaceuticals business.

Ordinary income was affected by the high value of the yen, and slipped to 3.856 billion yen, a decrease of 553 million yen (12.5%) from the same period in the previous fiscal year.

Net income for the quarter was 2.057 billion yen, an increase of 642 million yen (45.4%) from the same period in the previous fiscal year. This was due in part to the absence of the loss on valuation of investments in an affiliated company that occurred during the first quarter of the previous fiscal year.

The current first quarter performance by business segment is described below.

#### [Functional chemicals business]

Sales were 15.570 billion yen, a decrease of 2.710 billion yen (14.8%) from the same period in the previous fiscal year.

In the functional materials business, despite a recovery in demand for epoxy resins for semiconductor encapsulation, in particular our environmentally friendly epoxy resins, sales did not reach the level of the same period in the previous fiscal year. Sales of UV-curing resins were on approximately the same level as the same period in the previous fiscal year, and sales for the functional materials business as a whole were down.

In the electronic materials business, sales of LCD sealants and films for plasma displays were higher than the same period in the previous fiscal year; however, sales of resins for optical disks and colors for inkjet printers were down. Suffering from the effects of the slump in automobile sales, sales of Polatechno polarizing films for automobile LCD displays were slow, and sales were below the same period in the previous fiscal year. Sales for the electronic materials business as a whole were down from the same period in the previous fiscal year.

In the catalyst business, sales were higher than the same period in the previous fiscal year.

In the color chemicals business, demand for both textile dyes and paper dyes fell as a result of the poor economy, and sales were below the same period in the previous fiscal year.

Operating income for the functional chemicals business as a whole was 1.691 billion yen, down 380 million yen (18.4%) from the same period in the previous fiscal year.

#### [Pharmaceuticals business]

Sales were 12.329 billion yen, an increase of 1.539 billion yen (14.3%) from the same period in the previous fiscal year.

Among pharmaceutical products for the Japanese domestic market, sales were strong of “PACLITAXEL Inj. NK” (anti-cancer drug), “ODYNE Tab.” (anti-cancer drug), “CARBOPLATIN Intravenous Inj. NK” (anti-cancer drug), “FARESTON Tab.” (anti-cancer drug), “IA CALL” (arterial-injection anti-cancer drug), “EPIRUBICIN Inj. NK,” (anti-cancer drug), “LEVOFOLINATE Intravenous Inj. NK” (anti-cancer drug effect potentiator), “GRANISETRON Inj. NK” (anti-emetic drug), and “GELPART” (material for transcatheter arterial embolization), with sales of these products exceeding the levels from the same period in the previous fiscal year. On the other hand, the effects of competitor products and other factors resulted in lower sales of “RANDA Inj.” (anti-cancer drug) and “MILLISROL Inj.” (vasodilator) compared with the same period in the previous fiscal year. Overall sales of pharmaceutical products for the Japanese domestic market were higher than in the first quarter of FY 2008.

In the area of exports, sales of “BLEO” (anti-cancer drug) were higher than the same period in the previous

fiscal year, however sales of “ETOPOSIDE” (anti-cancer drug) were lower. As a result, export sales overall were lower than the same period in the previous fiscal year.

In the area of active pharmaceutical ingredients for the Japanese domestic market, sales of generic active pharmaceutical ingredients fell, and sales of active pharmaceutical ingredients for the Japanese domestic market as a whole were below the level of the same period in the previous fiscal year.

In the area of diagnostic agents, sales of “LANAZYME ST-439 Plates” (breast cancer diagnostic agent) and “LANA 1,5AG” (diabetes diagnostic agent) were strong, and sales of diagnostic agents as a whole were up from the level of the same period in the previous fiscal year.

Operating income for the pharmaceutical business as a whole was 3.040 billion yen, an increase of 980 million yen (47.6%) from the same period in the previous fiscal year.

[Safety systems business]

Sales were 4.023 billion yen, a decrease of 1.477 billion yen (26.9%) from the same period in the previous fiscal year.

Tax breaks and other incentives for automobile purchases have been enacted in many countries, including Japan, and the market, which fell drastically in the second half of last year, has started to recover. However the volume of automobile production and sales remained below the level of the same period in the previous fiscal year.

As a result, sales of micro gas generators for seatbelt pretensioners were down from the first quarter of FY 2008. Sales of airbag inflators grew, due to an increase in the number of models in which our products are installed.

The safety systems business as a whole recorded an operating loss of 157 million yen, a decrease in income of 420 million yen from the same period in the previous fiscal year.

[Other business]

Sales amounted to 1.649 billion yen, a decrease of 264 million yen (13.8%) from the same period in the previous fiscal year.

In the agrochemicals business, both domestic sales and exports were below the level of the same period in the previous fiscal year.

Sales in the real estate and other business were also below the same period in the previous fiscal year.

Operating income for other business was 440 million yen, an increase of 170 million yen (63.1%) from the same period in the previous fiscal year, resulting from improvements to the profit structure of the agrochemicals business.

Following is a summary of the results by geographical segment for the first quarter of the current fiscal year.

[Japan]

Sales amounted to 29.506 billion yen, a decrease of 626 million yen (2.1%) from the same period in the previous fiscal year.

Operating income was 5.108 billion yen, an increase of 1.257 billion yen (32.7%) from the same period in the previous fiscal year.

[Other regions]

Sales were 4.067 billion yen, a decrease of 2.286 billion yen (36.0%) from the same period in the previous fiscal year.

An operating loss of 85 million yen was recorded, a decrease in operating income of 893 million yen from the same period in the previous fiscal year.

This was the result of a drop in sales and operating income at Indet Safety Systems a.s. (Czech Republic), Lifesparc Inc. (USA), and Moxtec Inc. (USA), and elsewhere.

## 2. Qualitative Information Concerning the Consolidated Financial Position

Total assets decreased by 713 million yen from the end of the previous consolidated fiscal year to reach 203.284 billion yen. Current assets decreased by 971 million yen, primarily due to a decrease in marketable securities. Fixed assets increased by 224 million yen due to a gain on valuation of investment securities.

Liabilities decreased by 1.769 billion yen from the end of the previous consolidated fiscal year to reach 76.417 billion yen. This was primarily due to a decrease in corporation taxes payable resulting from payment of

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

corporation taxes.

Net assets increased by 1.055 billion yen from the end of the previous consolidated fiscal year to reach 126.867 billion yen. This was primarily due to an increase in net unrealized gains on other securities and an increase in translation adjustments.

The balance of cash and cash equivalents at the end of the first quarter decreased by 3.224 billion yen from the end of the previous consolidated fiscal year to 31.837 billion yen. The status of each cash flow is as described below.

Net cash provided by operating activities amounted to 1.350 billion yen. Despite the fact that first quarter net income before income taxes and minority interests was 3.697 billion yen and depreciation and amortization were 2.416 billion yen, this result was due to an increase in notes and accounts receivable of 1.446 billion yen and a decrease in accrued expenses of 1.323 billion yen.

Net cash used in investing activities totaled 4.093 billion yen. This result was primarily due to a payment of 2.297 billion yen for the purchase of tangible fixed assets and a payment of 1.499 billion yen for the purchase of securities.

Net cash used in financing activities was 483 million yen. Although short-term loans payable increased by 2.036 billion yen, this result was due to a payment of 397 million yen for repayment of long-term loans payable, a payment of 246 million yen for repayment of construction cooperation fund, and a payment of 1.702 billion yen in dividends.

### 3. Qualitative Information Concerning Forecasts for Consolidated Business Performance

Despite harsher conditions than the same period in the previous fiscal year, consolidated business performance for the current first quarter exceeded the forecast level as a result of strong sales in the pharmaceuticals business, restructuring of the product lineup, and cost cutting and other profitability improvements.

Based on the results from the first quarter and expectations for the second and later quarters, forecasts for the consolidated business performance in the second quarter and full year have been revised from the forecasts announced previously (June 30, 2009).

### 4. Others

- (1) Major changes in subsidiaries occurring during this year (changes in designated subsidiaries that involve changes to scope of consolidation)

No items to report

- (2) There was no adoption of simplified accounting processes or special accounting processes for creation of the quarterly consolidated financial statements

No items to report

- (3) Changes to accounting principles, procedures, methods of notation, or other items related to creation of the consolidated financial statements

No items to report

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	As of August 31, 2009	As of May 31, 2009
	Millions of yen	
<b>Assets</b>		
Current assets		
Cash and savings	17,547	16,529
Notes and accounts receivable	45,533	44,008
Marketable securities	15,853	18,626
Merchandise and products	15,249	15,031
Work in process	1,673	1,554
Raw materials and stores	6,898	6,917
Other	5,113	6,184
Allowance for doubtful receivables	(110)	(123)
<b>Total current assets</b>	<b>107,758</b>	<b>108,729</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	32,912	32,568
Machinery and transport equipment, net	19,130	19,844
Other, net	14,947	15,145
<b>Total tangible fixed assets</b>	<b>66,991</b>	<b>67,557</b>
Intangible fixed assets		
Goodwill	1,992	2,112
Other	2,813	2,906
<b>Total intangible fixed assets</b>	<b>4,806</b>	<b>5,018</b>
Investments and other assets		
Investment securities	16,088	15,329
Other	7,300	7,058
Allowance for doubtful receivables	(122)	(124)
<b>Total investments and other assets</b>	<b>23,267</b>	<b>22,264</b>
<b>Total fixed assets</b>	<b>95,065</b>	<b>94,840</b>
Deferred assets	460	428
<b>Total assets</b>	<b>203,284</b>	<b>203,998</b>

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

	As of August 31, 2009	As of May 31, 2009
	Millions of yen	
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	13,099	12,201
Short-term loans payables	14,852	13,304
Corporation tax payable	1,425	3,072
Other	10,480	13,192
Total current liabilities	39,858	41,772
Fixed liabilities		
Long-term loans payable	15,945	15,968
Allowance for employee retirement benefits	4,939	5,039
Other	15,674	15,406
Total fixed liabilities	36,559	36,414
Total liabilities	76,417	78,186
Net assets		
Shareholders' equity		
Common stock	14,932	14,932
Additional paid-in capital	17,263	17,263
Retained earnings	82,615	82,373
Treasury stock	(629)	(623)
Total shareholders' equity	114,182	113,946
Valuation and translation adjustments		
Net unrealized gains on other securities	526	45
Translation adjustments	930	214
Total valuation and translation adjustments	1,457	260
Minority interests	11,227	11,605
Total net assets	126,867	125,812
Total liabilities and net assets	203,284	203,998

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

## (2) Consolidated Profit and Loss Statement

	First quarter of fiscal year ended May 31, 2009	First quarter of fiscal year ending May 31, 2010
	Millions of yen	
Net sales	36,486	33,573
Cost of sales	23,501	20,592
Gross profit on sales	12,985	12,981
Selling, general, and administrative expenses	9,585	9,130
Operating income	3,399	3,850
Non-operating income		
Interest income	57	46
Dividend income	203	191
Equity in earnings of affiliates	91	21
Exchange gain	569	—
Other miscellaneous income	350	195
Total non-operating income	1,273	456
Non-operating expenses		
Interest expense	118	127
Exchange loss	—	217
Other miscellaneous losses	145	105
Total non-operating expenses	263	450
Ordinary income	4,409	3,856
Extraordinary income		
Income on sale of fixed assets	10	32
Total extraordinary income	10	32
Extraordinary loss		
Fixed asset disposal loss	276	79
Loss on valuation of investment securities	—	112
Provision of allowance for doubtful receivables	8	—
Loss on valuation of investments in an affiliated company	2,028	—
Loss on inventory valuation	505	—
Total extraordinary loss	2,818	191
First quarter net income before income taxes and minority interest	1,601	3,697
Corporation tax, inhabitant tax, and business tax	1,700	1,053
Income taxes deferred	(1,207)	725
Total income taxes	493	1,779
Minority interests in income	(307)	(139)
First quarter net income	1,415	2,057

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

## (3) Consolidated Statement of Cash Flows

	First quarter of fiscal year ended May 31, 2009	First quarter of fiscal year ending May 31, 2010
	Millions of yen	
<b>Cash flows from operating activities</b>		
First quarter net income before income taxes and minority interests	1,601	3,697
Depreciation and amortization	2,680	2,416
Increase (decrease) in reserve allowance	266	(156)
Interest and dividend income	(261)	(238)
Interest expense	118	127
Equity in (earnings) losses of affiliates	(91)	(21)
Loss (gain) on sale of tangible fixed assets	(10)	(32)
Loss (gain) on disposal of tangible fixed assets	276	79
Loss (gain) on valuation of investment securities	—	112
Loss on valuation of investment in an affiliated company	2,028	—
(Increase) decrease in notes and accounts receivable	(1,540)	(1,446)
(Increase) decrease in inventory assets	(2,944)	(238)
(Increase) decrease in prepaid expenses	35	(153)
(Increase) decrease in accrued revenue	1,029	490
Increase (decrease) in notes and accounts payable	2,402	875
Increase (decrease) in accrued amount payable	(616)	(787)
Increase (decrease) in accrued expenses	(1,318)	(1,323)
Other	34	311
Subtotal	3,690	3,713
Interest and dividends received	244	240
Interest paid	(56)	(61)
Income taxes paid	(919)	(2,542)
Net cash provided by operating activities	2,959	1,350

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

	First quarter of fiscal year ended May 31, 2009	First quarter of fiscal year ending May 31, 2010
	Millions of yen	
Cash flows from investing activities		
Purchase of time deposits	(27)	—
Proceeds from repayment of time deposits	78	35
Purchase of tangible fixed assets	(2,379)	(2,297)
Proceeds from sales of tangible fixed assets	19	33
Purchase of intangible fixed assets	(23)	(36)
Purchase of marketable securities	—	(1,499)
Purchase of investment securities	(961)	(47)
Proceeds from sales of investment securities	506	—
Payments for long-term loans receivable	(10)	—
Payments for long-term prepaid expenses	(17)	(5)
Removal loss of fixed assets	(84)	(70)
(Increase) decrease in short-term loans receivable	(80)	(125)
Other	(75)	(79)
Net cash used in investing activities	(3,055)	(4,093)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	2,511	2,036
Proceeds from long-term loans payable	200	—
Repayment of long-term loans	(246)	(397)
Repayment of construction cooperation fund	(58)	(246)
Dividends paid	(1,703)	(1,702)
Dividends paid to minority shareholders	(305)	(158)
Other	(22)	(13)
Net cash provided by financing activities	375	(483)
Effect of exchange rate changes on cash and cash equivalents	382	1
Increase (decrease) in cash and cash equivalents	661	(3,224)
Cash and cash equivalents at beginning of year	21,662	35,061
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	762	—
Cash and cash equivalents at end of year	23,087	31,837

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

(4) Incidents or situations that cause significant doubt with regards to the certain continuation of our business  
No items to report

(5) Segment information

a. Segment information by type of business

First quarter of the previous consolidated fiscal year (June 1, 2008 – August 31, 2008)

	Functional chemicals business	Pharmaceuticals business	Safety systems business	Other business	Total	Eliminations and corporate	Consolidated
Millions of yen							
Sales	18,281	10,790	5,500	1,914	36,486	—	36,486
(1) Sales to third parties							
(2) Intersegment sales and transfers	19	0	—	3	23	(23)	—
Total	18,301	10,790	5,500	1,917	36,510	(23)	36,486
Operating income	2,071	2,060	263	270	4,665	(1,266)	3,399

First quarter of the current consolidated fiscal year (June 1, 2009 – August 31, 2009)

	Functional chemicals business	Pharmaceuticals business	Safety systems business	Other business	Total	Eliminations and corporate	Consolidated
Millions of yen							
Sales	15,570	12,329	4,023	1,649	33,573	—	33,573
(1) Sales to third parties							
(2) Intersegment sales and transfers	14	3	—	6	25	(25)	—
Total	15,585	12,333	4,023	1,656	33,599	(25)	33,573
Operating income (loss)	1,691	3,040	(157)	440	5,015	(1,165)	3,850

Note 1: The business segments are based on the sales summary classification.

2: Primary products in each segment

Business segment	Sales segment	Primary products
Functional chemicals business	Functional materials	Epoxy resins, Epoxy resin curers, Combustion retardants for synthetic resins, UV-curing type resins, Polyimide/polyamide resins, Advanced chemicals
	Electronic materials	Components for LCD displays, LCD projector components, Components for X-ray analysis systems, Functional films, Resins for optical disks, Sealants for LCD displays, Functional colors, Colors for inkjet printers
	Catalysts	Catalysts for the production of acrylic acid and methacrylic acid, Plant licensing business
	Color chemicals	Disperse dyes, Cationic dyes, Acidic dyes, Reactive dyes, Direct dyes, Sulfur dyes, Fluorescent dyes, Functional chemicals for textiles and paper, Special dyes for non-textile applications
Pharmaceuticals business	Pharmaceuticals	Anti-cancer agents, Neurological agents, Circulatory system agents, Digestive system agents, Metabolic agents, Antibiotics, Anti-inflammatory analgesic agents, Radiopharmaceuticals, Medical devices, Pharmaceutical API and intermediates, Food and food additives, Preservatives for food quality, Veterinary pharmaceuticals, Animal feedstuffs and feedstuff additives, Diagnostics
Safety systems business	Safety systems	Airbag inflators, Micro gas generators for seatbelt pretensioners, Squibs
Other business	Others	Insecticides, Herbicides, Fungicides, Acaricide, Public hygiene insecticides, Soil disinfectant, Animal repellents, Biological pesticides, Real estate business

This document is an English translation of parts of the Japanese-language original.  
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

b. Information by geographic segment

First quarter of the previous fiscal year (June 1, 2008 – August 31, 2008)

	Japan	Other regions	Total	Eliminations and corporate	Consolidated
Millions of yen					
Sales					
(1) Sales to third parties	30,133	6,353	36,486	—	36,486
(2) Intersegment sales and transfers	1,737	2,088	3,825	(3,825)	—
Total	31,870	8,441	40,312	(3,825)	36,486
Operating income	3,851	808	4,659	(1,259)	3,399

First quarter of the current fiscal year (June 1, 2009 – August 31, 2009)

	Japan	Other regions	Total	Eliminations and corporate	Consolidated
Millions of yen					
Sales					
(1) Sales to third parties	29,506	4,067	33,573	—	33,573
(2) Intersegment sales and transfers	1,111	1,131	2,242	(2,242)	—
Total	30,617	5,198	35,816	(2,242)	3,3573
Operating income (loss)	5,108	(85)	5,022	(1,172)	3,850

Note 1: The country and region segments are based on geographic proximity.

2: Primary countries and regions in segments other than “Japan”

Other regions: USA, China, Czech Republic

c. Overseas sales

First quarter of the previous fiscal year (June 1, 2008 – August 31, 2008)

	Asia	Other regions	Total
I. Overseas sales (millions of yen)	6,795	5,961	12,756
II. Consolidated sales (millions of yen)	—	—	36,486
III. Percentage of consolidated sales occupied by overseas sales	18.6	16.3	35.0

First quarter of the current fiscal year (June 1, 2009 – August 31, 2009)

	Asia	Other regions	Total
I. Overseas sales (millions of yen)	7,134	4,046	11,180
II. Consolidated sales (millions of yen)	—	—	33,573
III. Percentage of consolidated sales occupied by overseas sales	21.3	12.1	33.3

Note 1: The country and region segments are based on geographic proximity.

2: Primary countries and regions in segments other than “Japan”

(1) Asia: China, Hong Kong, Taiwan

(2) Other regions: USA, Germany

3: Overseas sales are the sales by Nippon Kayaku and its consolidated subsidiaries in countries and regions outside of Japan.

(6) Descriptions in case of significant changes in the amount of shareholders' equity

No items to report