

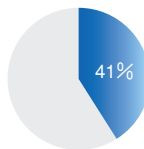
## Business at a Glance (year ended May 31, 2008 unit: millions of yen)

### Functional Chemicals Business

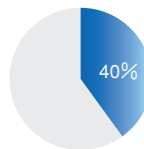
#### Manufacturing the parts and materials essential for IT products

Among Nippon Kayaku's various strengths are the high-performance plastics that are at the heart of cell phone and digital information home electronics, optical functional films, and a wide range of products utilizing applied dye technology. Our products hold an approximate 40% share of the global market for epoxy resins used in the encapsulation of semiconductors, and our materials for liquid crystal projectors are highly rated. In addition, we also manufacture and sell the catalysts that are used in the production of acrylic acid and methacrylic acid.

**Net Sales**  
59,593



**Operating Income**  
7,019

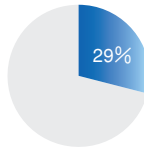


### Pharmaceuticals Business

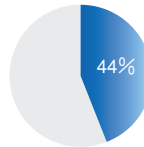
#### Specializing and expanding our activities in cancer-related fields

We maintain extensive original expertise related to research and development, production, sales, and aftermarket investigations of anti-cancer drugs, and our lineup of cancer-fighting drugs and related products has reached 28 products (as of July 2008). We are also strengthening our licensing activities, and are introducing generic products in order to expand our cancer-related business.

**Net Sales**  
42,325



**Operating Income**  
7,837

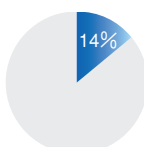


### Safety Systems Business

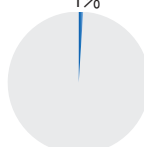
#### Manufacturing components for airbags and other automobile safety systems

We manufacture and sell the inflators that generate gas for airbags that protect occupants in the event of an automobile accident, micro gas generators for seatbelt pretensioners, and the squibs (igniters) used in these products. We have constructed a global production and supply system based in Japan, North America, and Europe, and are working to expand our business in this area.

**Net Sales**  
20,274



**Operating Income**  
180

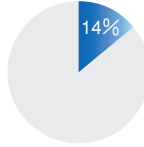


### Fine Chemicals Business

#### This is the business segment composed of the agrochemicals, dyes, explosives, and other businesses. (Eliminated at the end of the fiscal year ended May 2008.)

As of June 1, 2008, the agrochemicals business, which develops, produces, and markets agrochemicals, was made an independent business organization. The color chemicals business, which handles dyes for textiles, paper pulp, plastic coloring, and other purposes, was transferred to the functional chemicals business segment. The explosives business, which handles industrial explosives and pyrotechnic products, was integrated into a company which is accounted for by the equity method.

**Net Sales**  
19,719



**Operating Income**  
1,123



\* On June 1, 2008, the Fine Chemicals Group was abolished, and the organization was restructured into three groups: the Functional Chemicals Group, Pharmaceuticals Group, and Safety Systems Group. The explanation by business area on pages 10 – 17 describes the business segments following this restructuring.

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