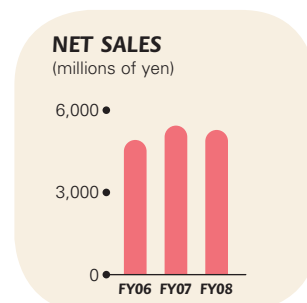
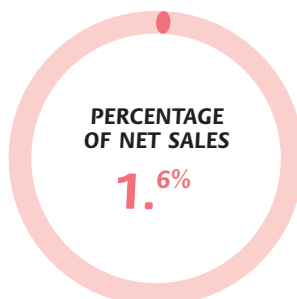


FINE CHEMICALS BUSINESS

Using the Nisshin Oillio Group's distinctive technologies, the Fine Chemicals Business provides materials and additives that use plant resources, thereby contributing to diverse industries such as cosmetics and toiletries, pharmaceuticals, chemicals, foods, and industrial products.



PROFILE

The Fine Chemicals Business uses “the natural power of plants” and links synthesis, refining, extraction, formulation and biotechnology. Through these processes, it provides raw materials for cosmetics manufacturers, functional materials and special esters for industrial products, and medium-chain triglycerides for foods. In addition, we are taking an ambitious approach to increasing our manufacturing bases overseas with the aim of expanding the application of these technologies to various industries.

FISCAL 2008 OPERATING ENVIRONMENT AND RESULTS

In our mainstay operation, raw materials for cosmetics, both sales volume and sales increased year on year despite weakness in the cosmetics industry. This outcome reflected brisk sales of commodity products to major Japanese cosmetics manufacturers, coupled with favorable exports to China. Overall sales of medium-chain triglycerides were higher year

on year, despite a slump in sales to flavoring manufacturers, which are typically key customers. In chemical products, sales were lower year on year due to the steep drop in sales volume from the impact of the global depression. Also, soaring prices for raw materials eroded profits.

Overseas, we took advantage of our sales base in Guangzhou, China, and German sales subsidiary Nisshin Oillio Fine Chemicals GmbH to expand operations outside Japan.

As a result, sales in the Fine Chemicals Business declined 2.0% year on year to ¥5,984 million (including intersegment sales).

FUTURE STRATEGY AND OUTLOOK FOR FISCAL 2009

For fiscal 2009, the Group is projecting sales of ¥6,500 million (including intersegment sales), up 8.6% year on year, in line with efforts to accelerate global business development centered on overseas bases.

