

May 13, 2002

Nagase ChemteX Corporation Acquires from Nihon Polymer Co., Ltd. Trade Rights to Modified Epoxy Products

Nagase & Co., Ltd.
Nagase ChemteX Corporation

Nagase ChemteX Corporation, a subsidiary of Nagase & Co., Ltd., and Nihon Polymer Co., Ltd., a subsidiary of Asahi Chemical Industry Co., Ltd., have reached an agreement for Nagase ChemteX to acquire the trade rights to Nihon Polymer's modified epoxy products.

Nihon Polymer's primary business is the manufacture and sale of modified epoxy products for civil engineering and construction applications. Nagase ChemteX will acquire the rights to manufacture and sell about 150 modified epoxy products currently manufactured and sold by Nihon Polymer as well as the trademark Epomar. Nagase ChemteX plans to transfer the manufacturing facilities for these products to its Harima Plant and launch selling activities on July 1, 2002 from its offices in Tokyo and Osaka.

Nagase ChemteX is a manufacturing company formed in April 2001 when four manufacturing subsidiaries of the Nagase Group merged. The company succeeded the epoxy operation of Nagase-CIBA Ltd., a joint venture company with Ciba-Geigy AG of Switzerland. Japan's largest manufacturer of epoxy-modified products, the company boasts technologies developed over forty years and a solid record of success. The company's products are well regarded in the industry, especially a new anti-corrosion lining material developed jointly with a major construction company involving an unprecedentedly simple application process. The activity of microorganisms is controlled to impart an antibacterial function that makes it possible to improve anti-corrosion environments and extend the life of concrete structures. Another product receiving attention is an easy-to-use diagnostic system for making preliminary examinations of the levels of corrosion inside sewage treatment facilities. In succeeding Nihon Polymer's modified epoxy products operation the company will further strengthen its lining materials business in the public works and construction market.

Nagase ChemteX anticipates that a change going into effect this year to performance-based ordering of anti-corrosion cladding for sewage facilities will result in a sharp increase in demand for its recently launched Denacoat brand of ultra-acid-resistant epoxy lining material. The company plans to take advantage of Nihon Polymer's sales agent and construction contractor network to achieve sales of ¥2.0 billion for its lining materials operation, including products developed internally.

Company Overviews

Nihon Polymer Co., Ltd.

Head office: 6-1-2 Ichibancho, Tachikawa, Tokyo

President and Representative Director: Yasunori Fukumitsu

Capitalization: ¥20 million

Shareholder: Asahi Chemical Industry Co., Ltd. 100%

Sales: Approximately ¥5 billion

Main business activities: The manufacture and sale of modified epoxy products for civil engineering and construction applications

Nagase ChemteX Corporation

Head office: 1-1-17 Shinmachi, Nishi-ku, Osaka

President and Representative Director: Reiji Nagase

Capitalization: ¥2.42 billion

Shareholder: Nagase & Co., Ltd. 100%

Sales: About ¥20 billion (forecast for Fiscal 2001)

Number of employees: 500

Main business activities: The manufacture and sale of chemicals, pharmaceuticals, enzymes and other products

Plants: Harima, Fukuchiyama, Itami

URL: <http://www.nagasechemtex.co.jp/>

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