

Nagase to Increase its Shareholding in AikawaKogyo

Tokyo, Japan, February 18, 2011—Nagase & Co., Ltd. (Tokyo, Japan; TSE: 8012) today announced that it has decided to make AikawaKogyo Co., Ltd. its consolidated subsidiary in the aim of building an even stronger alliance with the company. Nagase currently owns 49% of AikawaKogyo shares and plans to acquire the remaining 51%.

AikawaKogyo's activities include distributing epoxy resins manufactured by Nagase ChemteX Corporation for use in structural materials. Nagase ChemteX is wholly owned manufacturing subsidiary of Nagase Co., Ltd. Acquiring all of AikawaKogyo's shares will enable Nagase to utilize AikawaKogyo's accumulated product knowledge and network of industry contacts to firmly establish the Nagase Group's presence as a specialized trading company in the structural materials sector, where it anticipates future growth, with a particular focus on the automotive sector.

Focusing primarily on materials produced by Nagase ChemteX (CFRP* materials and thermoplastic epoxy resins for composites applications) Nagase will pursue new research themes, such as weight reduction and rapid-cycle production, applicable to automobile models, prototype materials, and carbon-fiber composites. Nagase also aims to produce sales of 2.5 billion yen within three years through a locally focused sales program utilizing regional offices (Fuji-shi, Fukuoka Prefecture, and Ota-shi, Gunma Prefecture).

*CFRP: carbon fiber-reinforced plastic

Overview of AikawaKogyo

Headquarters: 3-7-8 Kamiuma, Setagaya-ku, Tokyo

Establishment date: December 3, 1965

Capital stock: 10 million yen

Website: <http://www.aikawakogyo.co.jp/>

Business lines: Sales of synthetic resin materials and products and sales of chemicals

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