



October 15, 2012

NAGASE & CO., LTD.

Finance Division Public & Investor Relations Section

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**Transfer of operations from Hayashibara's Okayama Plant I
and functional enhancement**

Hayashibara Co., Ltd., a 100% subsidiary of NAGASE & CO., LTD., hereby announces that it will transfer operations from the Okayama Plant I (located in Amaseinami-machi, Kita-ku, Okayama).

Please see the attached document for more information.



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Hayashibara Co., Ltd.

**Transfer of operations from Hayashibara's Okayama Plant I
and functional enhancement**

Hayashibara Co., Ltd. (headquarters in Okayama, Okayama Prefecture; President: Reiji Nagase) hereby announces that it will transfer operations from the Okayama Plant I (located in Amaseminami-machi, Kita-ku, Okayama).

So far at Okayama Plant I, we have been manufacturing a group of carbohydrate products having various functions, and they have brought in sales equivalent to 5 billion a year. However, it has been more than 60 years since the plant began operating, and we must consider the need to eliminate concerns about being able to stably supply products because of the plant's aging, and be able to handle increased demand for existing products and manufacture new products in the future. Hence, we decided to build plants in two locations: the Imabo district of Kita-ku, Okayama, where our Okayama Functional Saccharide Plant is located, and the Fujisaki district of Naka-ku, Okayama, where our R&D Center is based.

We will begin constructing buildings in both districts in April 2013 and plan to complete the work in March 2015. Along with this, the current Okayama Plant I is scheduled to stop operations.

The new plants will include a pilot plant to support the development and launch of new products, and they will be multi-plants that can produce various carbohydrate products which are differentiated from those of our competitors because they are based on our proprietary technology.

We aim to make these plants flexible and highly efficient by introducing our engineering and state-of-the-art facilities. Naturally, we will use them to stably supply the current products; but we also plan to use them to increase production in the future and also manufacture new products.

In addition, we aim to make them plants that are eco-friendly by introducing various types of energy-saving equipment.

The combined total investment in the two districts will be about 8 billion yen, and after the plants have been running for a few years we expect them to bring in sales of approximately 10 billion yen per year.



Outline of the new plants

	Imabo district	Fujisaki district
Location	Imabo, Kita-ku, Okayama	Fujisaki, Naka-ku, Okayama
Land area	About 6,000 m ²	About 12,000 m ²
Scheduled completion date	March 2015	
Investment amount	About 8 billion yen	