



July 19, 2007

To all parties concerned:

Company: Nagase & Co., Ltd.

Representative: Hiroshi Nagase, Representative Director, President and CEO

(Code: 8012, TSE/OSE Sections One)

Inquire to: Kenichi Matsuki, Human Resources and General Affairs Division

Tel: (03)-3665-3081

Concerning the Implementation of Director Pay Reductions

Concerning the matter of the voluntary recall of portable DVD players announced on July 11, we wish to express our deep apologies for the trouble and inconvenience we have caused our customers and stakeholders. A decision was reached at a meeting of the Board of Directors that, in light of this incident, remuneration received by directors would be reduced.

We promise to make every effort to strengthen internal controls to prevent the future occurrence of similar incidents, and we are committed to fully regaining customer trust as early as possible.

1. Imposed reductions

Position	Name	Percent of salary	Term
Representative Director, President and CEO	Hiroshi Nagase	40% reduction	6 months
Representative Director and Chairman	Hideo Nagase	20% reduction	6 months
Representative Director and Senior Managing Executive Officer	Yoshizo Shibata	20% reduction	6 months
Representative Director and Managing Executive Officer	Makoto Tsuruoka	20% reduction	6 months
Director and Managing Executive Officer	Reiji Nagase	20% reduction	3 months
Director and Managing Executive Officer	Kyoichi Zushi	20% reduction	3 months
Director and Managing Executive Officer	Eiji Asami	20% reduction	3 months
Director and Executive Officer	Kazuo Nagashima	20% reduction	3 months
Independent Director	Haruyuki Niimi	20% reduction	3 months
Independent Director	Takuya Goto	20% reduction	3 months

2. Voluntary return

		Name	Percent of salary	Term
Standing Auditor	Corporate	Shunsuke Okabe	10% return	3 months
Standing Auditor	Corporate	Hideo Yamashita	10% return	3 months
Corporate Auditor		Eisaku Kimura	10% return	3 months