

2007/07/19

Notice of Change to Performance and Dividend Forecasts for the Year to March 31, 2008

As announced on July 11, 2007, Nagase & Co., Ltd. expects to record an extraordinary loss of ¥14.3 billion in connection with the voluntary recall of portable DVD players and other products it sells. Consequently, Nagase has made the following adjustments to its consolidated and non-consolidated performance forecasts for the first half and the full fiscal year, and its interim and year-end dividend forecasts.

1. Adjustments to the Performance Forecast for the First Half of the Year to March 31, 2008 (April 1 – September 30, 2007)

(1) Consolidated

(¥ millions)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Announced April 27, 2007)	376,000	11,000	11,900	7,000
Revised forecast (B)	376,000	11,000	11,900	(500)
Change (B – A)	—	—	—	(7,500)
Percentage change	—	—	—	—
Previous interim results (for half-year ended September 2006)	343,074	10,600	11,435	6,489

(2) Non-Consolidated

(¥ millions)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Announced April 27, 2007)	260,000	3,500	7,200	5,000
Revised forecast (B)	260,000	3,500	7,200	(2,700)
Change (B – A)	—	—	—	(7,700)
Percentage change	—	—	—	—
Previous interim results (for half-year ended September 2006)	343,074	4,025	7,741	5,362

(3) Reason for the Adjustment

Nagase adjusted its performance forecast as shown above to factor an extraordinary loss of ¥14.3 billion into both consolidated and non-consolidated results as the cost of refunds and related expenses associated with the voluntary recall.

2. Adjustments to the Performance Forecast for the Year to March 31, 2008

(April 1, 2007 – March 31, 2008)

(1) Consolidated

(¥ millions)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Announced April 27, 2007)	752,000	21,900	23,600	14,100
Revised forecast (B)	752,000	21,900	23,600	7,100
Change (B – A)	—	—	—	(7,000)
Percentage change	—	—	—	-49.6%
Results for previous fiscal year (ended March 31, 2007)	701,321	21,669	23,231	13,567

(2) Non-Consolidated

(¥ millions)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Announced April 27, 2007)	520,000	7,000	11,800	7,800
Revised forecast (B)	520,000	7,000	11,800	200
Change (B – A)	—	—	—	(7,600)
Percentage change	—	—	—	-97.4%
Results for previous fiscal year (ended March 31, 2007)	497,116	8,246	12,872	7,770

(3) Reason for the Adjustment

Nagase adjusted its performance forecast for the full fiscal year based on the adjustment of its performance forecast for the first half.

3. Adjustment to the Dividend Forecast for the Fiscal Year Ending March 31, 2008

	Cash dividends per share (Yen)		
	Interim	Year-end	Annual
Previous forecast (A) (Announced April 27, 2007)	8.50	8.50	17.00
Revision (B)	0	17.00	17.00
Difference (B – A)	(8.50)	8.50	0
Result for previous fiscal year (ended March 31, 2007)	7.50	10.50 (note)	18.00

Note: The year-end dividend for the previous fiscal year includes a commemorative dividend of ¥2.00 per share in connection with Nagase's 175th anniversary.

Reason for the Adjustment

With the adjustment of its performance forecast, Nagase projects a net loss for the first half of the fiscal year on both a consolidated and non-consolidated basis, and therefore will forego the interim dividend. However, as the Nagase Group's core businesses are performing steadily, Nagase wishes to maintain its original dividend forecast for the fiscal year, and therefore plans to pay a year-end dividend of ¥17.00 per share to highlight its policy of continuing stable dividend payouts.

Note: The forecasts stated above are based on information currently available to Nagase. Various factors in the future could cause Nagase's actual results to differ materially from the figures cited here.