

**Briefing Session on
Financial Results for
the Fiscal Year Ended March 31, 2009**

**A technology and intelligence oriented
company that turns wisdom into business**

Nagase & Co., Ltd.

May 22, 2009

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**Financial Highlights of
the Fiscal Year Ended March 31, 2009**

Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

- ◆ Overview of results for the fiscal year ended March 31, 2009
 - Revenues and income down due to the global financial crisis and economic downturn
 - Operating income down to 46% of the previous year's due to such factors as lower gross profit because of lower revenues and amortization of actuarial gain in retirement benefit accounting

(¥ Billion)

	FY ended March 31, 2009	FY ended March 31, 2008	Increase (Decrease)	YoY Comparison
Net sales	715.2	764.7	-49.5	94%
Gross profit	71.5	80.5	-8.9	89%
SG&A expenses [Of which, amortization of actuarial gain in retirement benefit accounting]	-59.0 [-2.1]	-57.4 [-0.1]	-1.5	103%
Operating income	12.5	23.0	-10.5	54%
Ordinary income	13.0	24.8	-11.7	53%
Net income	5.8	10.0	-4.1	58%
Net income per share (¥)	45.17	77.86	-32.69	58%

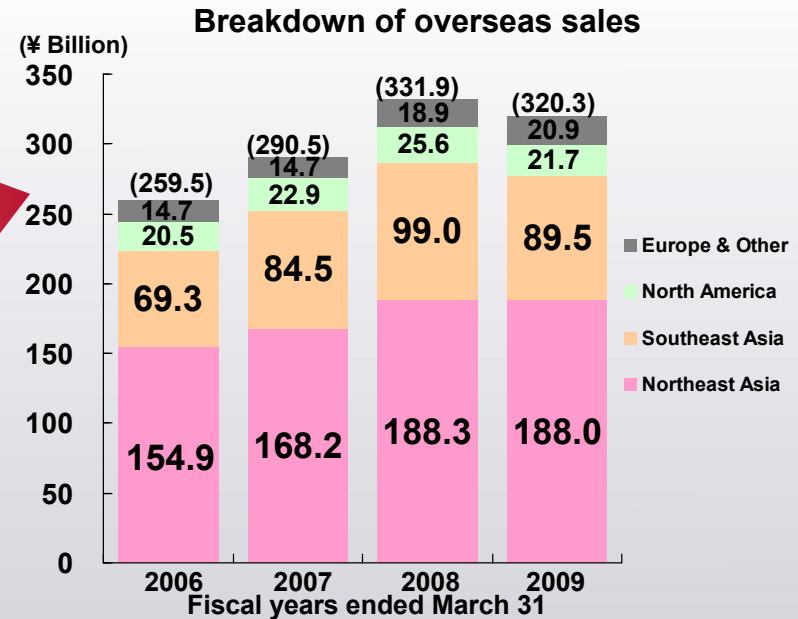
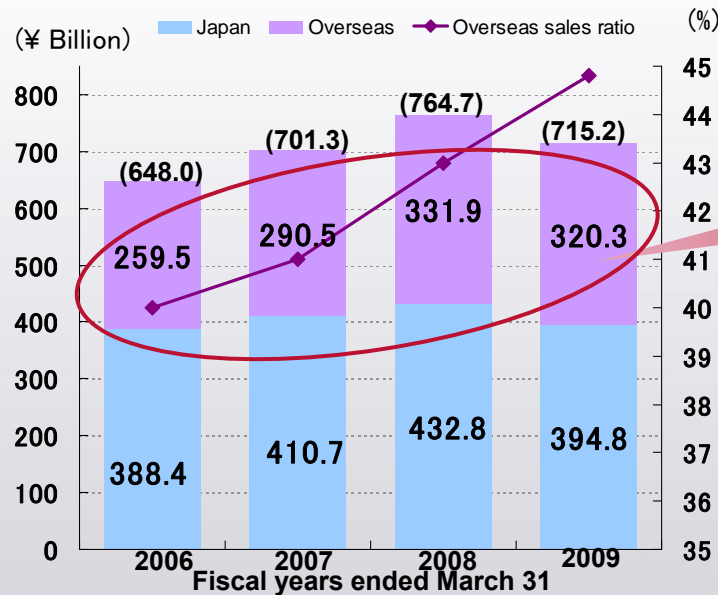
Quarterly Trends in Performance for the Fiscal Year Ended March 31, 2009

(¥ Billion / %)

	1Q		2Q		3Q		4Q		Full-Year Results	
	YoY (%)		YoY (%)		YoY (%)		YoY (%)		YoY (%)	
Net sales	187.7	105	196.9	104	190.3	96	140.2	71	715.2	94
Chemicals	69.9	111	70.8	105	63.2	91	44.3	66	248.4	93
Plastics	65.5	108	68.9	105	70.3	94	48.0	66	253.0	92
Electronics	37.9	93	42.2	98	40.8	104	32.2	80	153.2	94
Life Sciences	13.7	102	14.4	109	15.4	105	15.2	101	58.9	104
Others	0.4	38	0.3	-	0.3	79	0.3	110	1.5	82
Gross profit <i>Margin</i>	19.5 10.6%	103	19.5 9.9%	99	18.4 9.7%	87	13.9 10.0%	68	71.5 10.0%	89
SG&A expenses	-14.8	107	-15.2	108	-15.4	107	-13.4	90	-59.0	103
Operating income	4.6	92	4.2	77	3.0	46	0.5	10	12.5	54
Ordinary income	5.3	93	4.4	76	3.5	50	-0.3	-	13.0	53
Extraordinary income/loss	-0	-	-0.1	-	-2.2	-	0.4	06	-1.8	41
Income before income taxes	5.3	-	4.3	54	1.2	19	0.1	01	11.1	55
Net income	3.1	-	2.5	53	0.3	07	-0.2	-	5.8	58

Net Sales by Region (Domestic & Overseas)

Net Sales: ¥715.2 billion, down ¥49.5 billion (decrease of ¥37.9 billion in Japan and ¥11.5 billion overseas)



Overseas sales ratio rose from 43.4% to 44.8% as domestic sales fell sharply

1) Northeast Asia (Greater China)

- Sales of chemicals were robust in South China while electronics sales fell

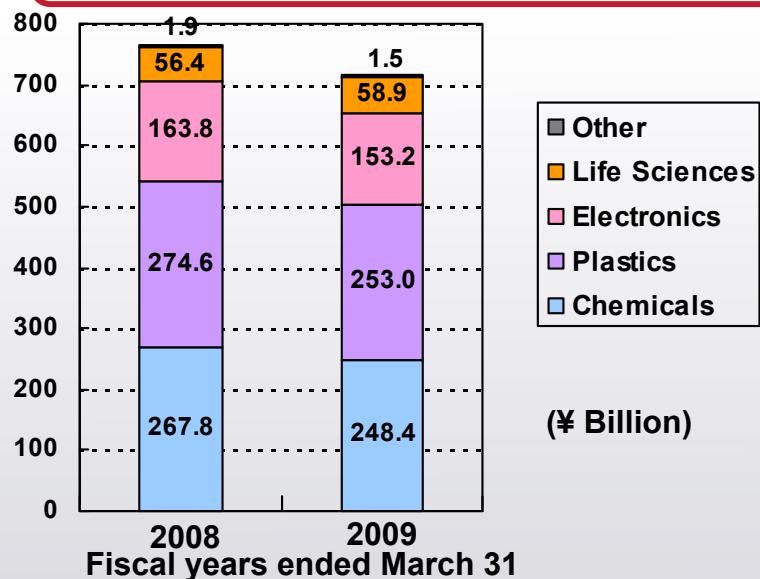
2) Southeast Asia (ASEAN)

- Decline in sales of plastics for precision equipment and electronics applications such as printers and copiers

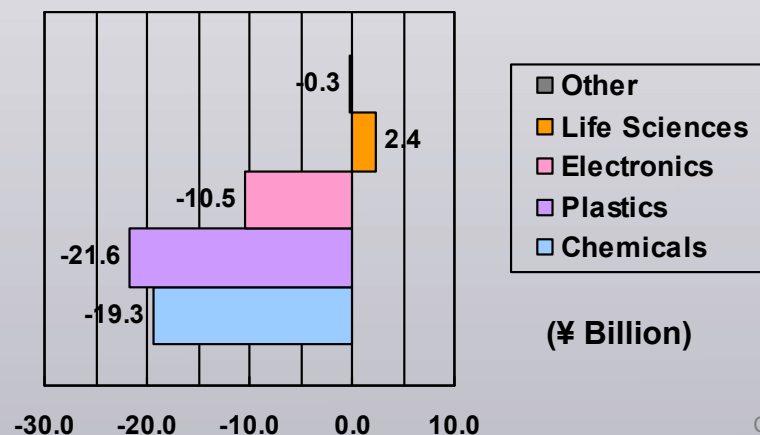
3) North America, Europe, Other

- Sluggish sales on the whole in North America, but European sales of pharmaceutical raw materials and intermediates were strong

Net Sales by Business Segment



Increase/Decrease in Sales by Segment



Sales by Business Segment (Year-on-year Comparison)

Chemicals -¥19.3 billion (93%)

- Expansion of printing-related business primarily in overseas markets (esp. Hong Kong), but dyestuff-related sales were sluggish
- Decrease in sales of urethane and coating materials primarily to the automotive industry
- Decrease in sales of Nagase ChemteX's organic synthesis materials and LCD-related products and other products

Plastics -¥21.6 billion (92%)

- Sales of plastics for precision and electronic equipment were down overseas, most notably in Asia, and in Japan
- Sales to the automotive industry fell slightly in Japan, increased in Asia, and declined in North America
- Product and raw material sales in the housing equipment and building materials business were sluggish

Electronics -¥10.5 billion (94%)

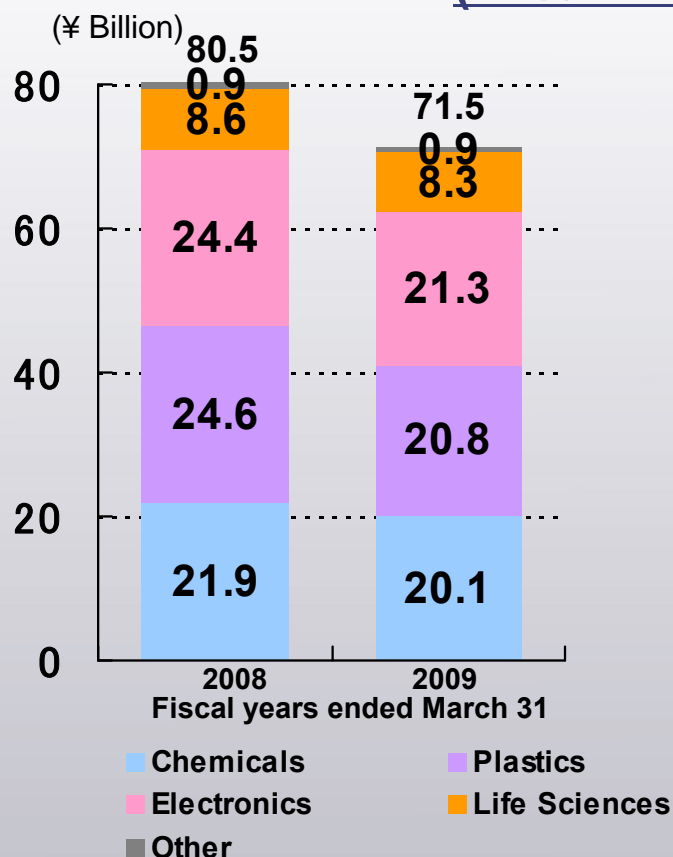
- Decrease in sales of formulated epoxy resins and chemicals. Decline also in supply of chemicals and sales of control equipment for photolithography
- Increase in sales of optical film and other materials, but significant decline in liquid crystal component processing and processing of aluminum casings for electronic equipment
- Decrease in sales of precision polishing-related components and materials for semiconductor post-processing

Life Sciences +¥2.4 billion (104%)

- Strong sales in the diagnostic drug and reagent business
- Sales rose on renewal of mainstay health food products, but those of existing products declined.

Gross Profit by Business Segment

**Gross Profit: ¥71.5 billion, down ¥8.9 billion
(89% vs. the previous year)**



Overview of Profit by Business Segment (Year-on-Year Comparison)

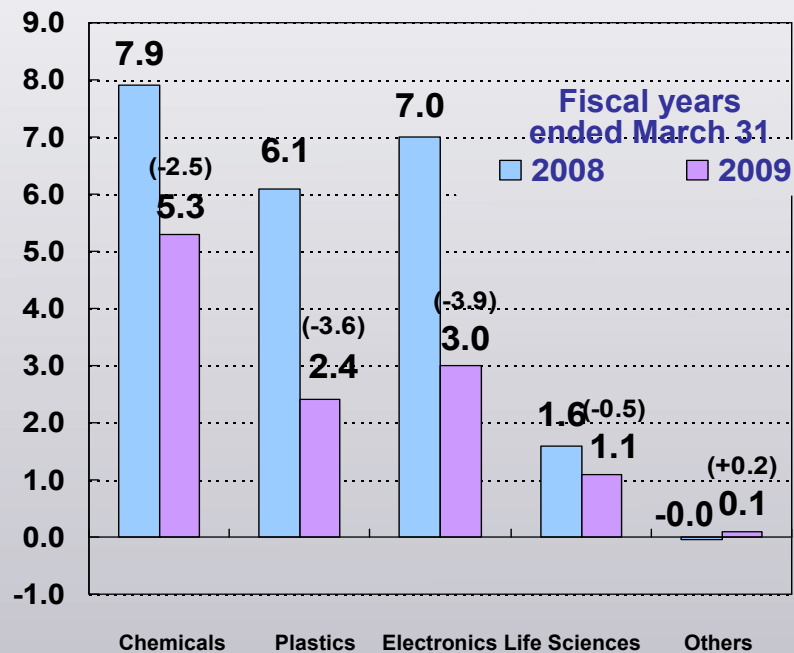
Chemicals	- ¥1.8 billion (92%)
Plastics	- ¥3.7 billion (85%)
Electronics	- ¥3.1 billion (87%)
Life Sciences	- ¥0.3 billion (96%)

Operating Income

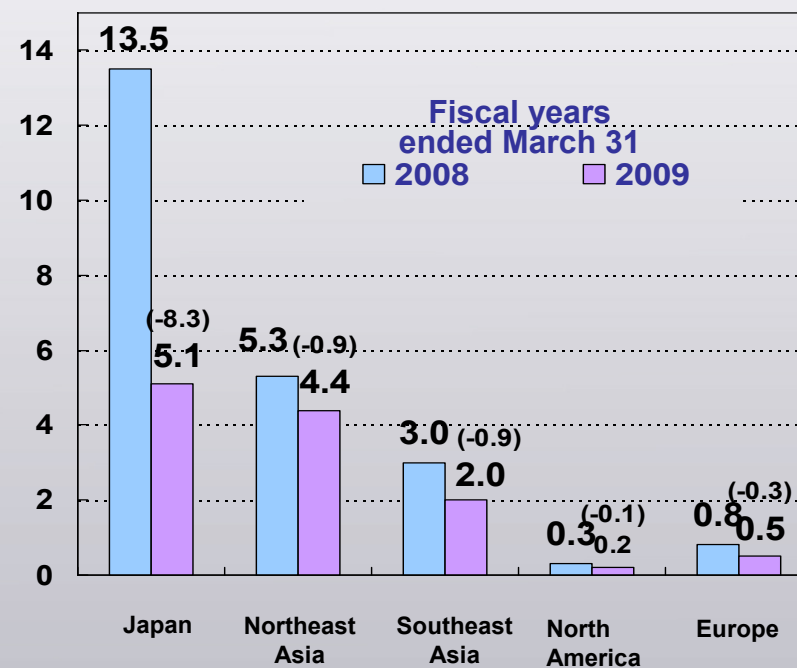
¥12.5 billion, down ¥10.5 billion year on year
(54% vs. the previous year)

(¥ Billion)

Operating Income by Business Segment

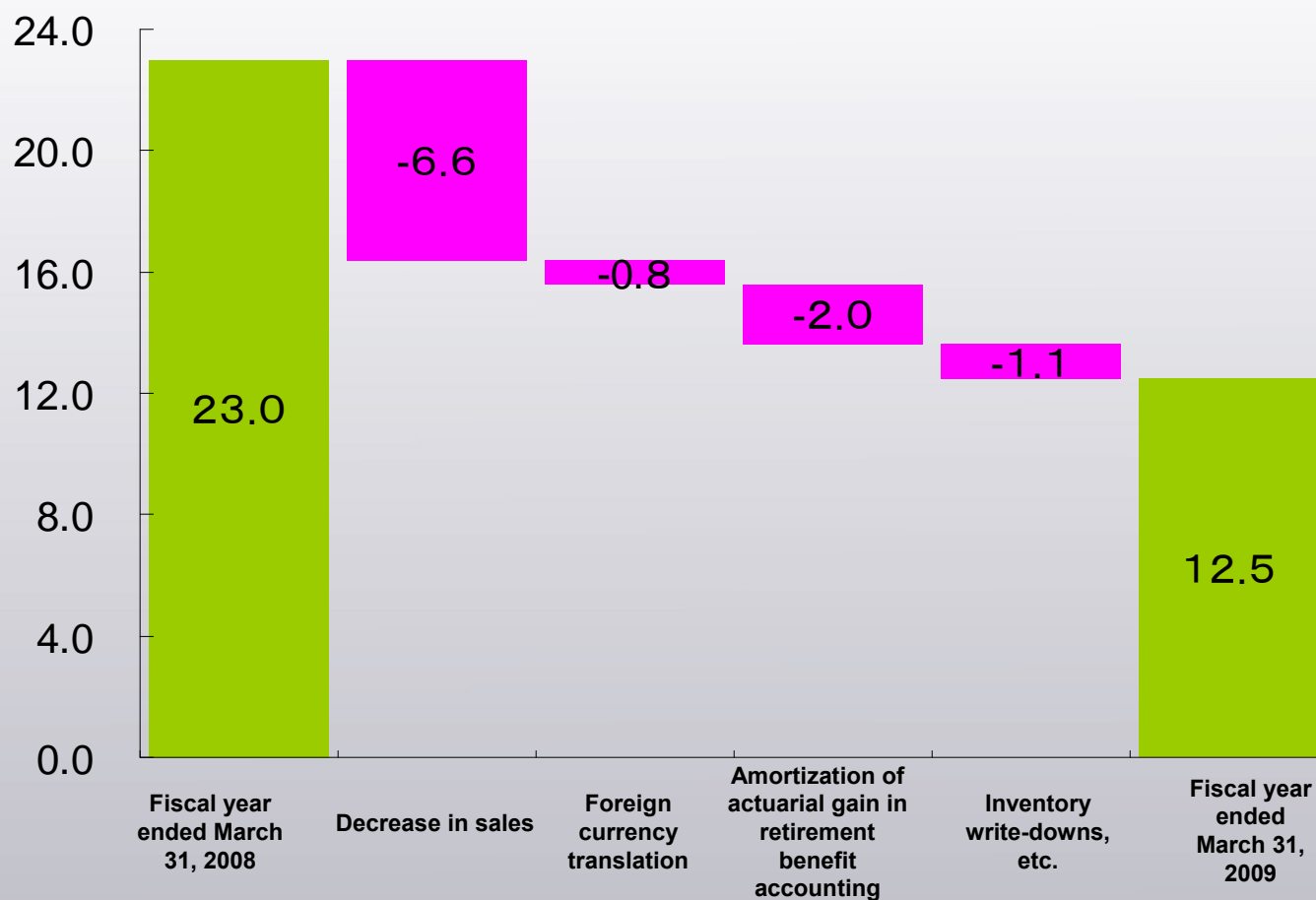


Operating Income by Geographical Segment



Factors that Increased/Decreased Operating Income

(¥ Billion)



Non-Operating Income/Loss and Extraordinary Income/Loss

Non-Operating Income/Loss

(¥ Billion)

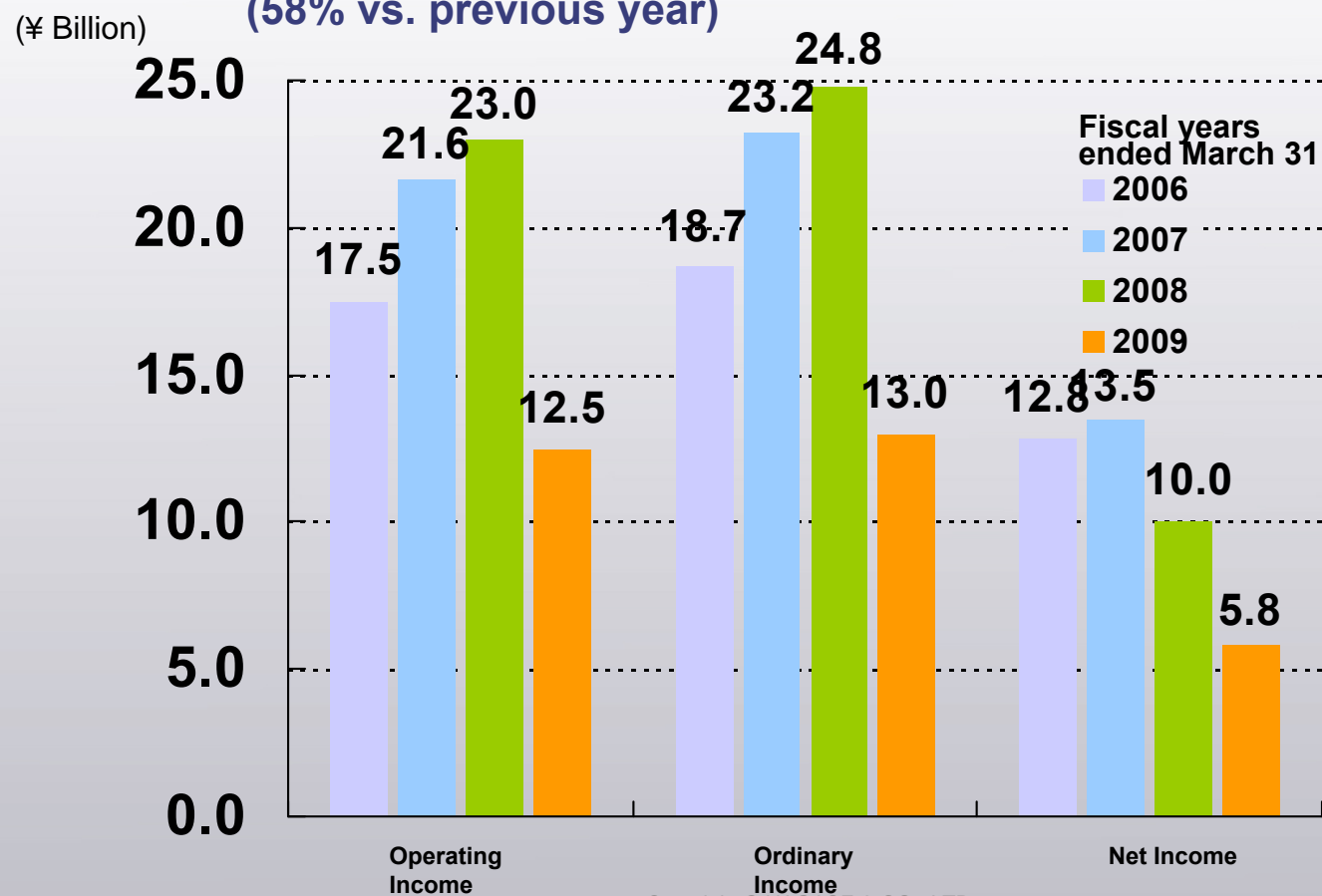
	FY ended Mar. 31, 2009	FY ended Mar. 31, 2008	Increase (Decrease)	YoY Comparison
Non-operating income/loss	0.5	1.7	-1.2	30%
Net interest income	0.3	0.4	-0.1	83%
Others	0.1	1.2	-1.1	10%

Extraordinary Income/Loss

	FY ended Mar. 31, 2009	FY ended Mar. 31, 2008	Increase (Decrease)
Extraordinary income	0.4	2.6	-2.1
Gain on sales of investments in securities	0	2.6	-2.6
Others	0.4	0	+0.4
Extraordinary loss	2.3	7.2	-4.8
Loss on voluntary recall of goods	—	6.4	-6.4
Loss from write-down of securities	1.2	0	+1.1
Others	1.1	0.6	+0.4

Ordinary Income and Net Income

- ◆ Ordinary Income: ¥13.0 billion, down ¥11.7 billion year on year (53% vs. previous year)
- ◆ Net Income: ¥5.8 billion, down ¥4.1 billion year on year (58% vs. previous year)



Major Balance Sheet Changes

- (1) Decrease in working capital (¥65.4 billion decrease in accounts receivable, ¥2.8 billion decrease in inventory, ¥44.8 billion decrease in accounts payable)
 (2) Decrease of ¥18.9 billion in investment securities as market values dropped
 (3) Increase of ¥3.3 billion in property, plant and equipment on capital investment related to Sharp's Sakai Manufacturing Complex

(¥ Billion)

Assets	Mar. 31, 2009	Mar. 31, 2008	Increase/Decrease	Liabilities and Net Assets	Mar. 31, 2009	Mar. 31, 2008	Increase/Decrease
Cash and time deposits	26.1	23.4	+2.6	Notes and accounts payable	90.0	134.8	-44.8
Notes and accounts receivable	166.3	231.8	-65.4	Short-term loans	19.8	24.3	-4.4
Investment securities (negotiable deposits)	10.0	—	+10.0	Provision for voluntary recall of goods	0.1	0.5	-0.4
Inventories	40.0	42.9	-2.8	Other current liabilities	16.2	24.1	-7.9
Other current assets	6.5	11.3	-4.7	Long-term debt	11.0	8.9	+2.0
Property, plant and equipment	39.2	35.8	+3.3	Accrued retirement benefits for employees	6.8	6.6	+0.1
Intangible fixed assets	2.7	3.3	-0.6	Other fixed liabilities	4.8	11.8	-7.0
Investments in securities	43.5	62.5	-18.9	Shareholders' equity	182.6	180.0	+2.5
Other fixed assets	6.2	8.4	-2.2	[Treasury stock included in above]	[-5.3]	[-5.3]	[-0.0]
				Valuation, foreign currency and other adjustments	1.9	20.5	-18.5
				Stock acquisition rights	0.2	0.1	+0.0
				Minority interests	7.0	7.6	-0.5
				[Net worth ratio]	[54.1%]	[47.8%]	[+ 6.3%]
Total assets	340.9	419.8	-78.9	Total liabilities and net assets	340.9	419.8	-78.9

Cash Flows

Net cash provided by operating activities came to ¥36.1 billion due to decrease in working capital
Investing activities used net cash of ¥11.0 billion, reflecting purchase of property and equipment and intangible fixed assets

We repaid short-term debt with working capital and raised long-term debt to fund capital investment

(¥ Billion)

	FY ended Mar. 31, 2009	Major components	FY ended Mar. 31, 2008
Cash flows from operating activities	36.1	Income before income taxes	11.1
		Depreciation and amortization	5.4
		Working capital	23.4
		Taxes paid	-7.8
		Profit/loss on valuation of investment securities	1.2
Cash flows from investment activities	-11.0	Purchases of property and equipment	-9.6
		Purchases of securities and investments	-0.9
		Sales of investments in securities	0.6
		Purchases of intangible assets	-0.8
Cash flows from financing activities	-5.5	Decrease in short-term debt	-7.0
		Proceeds from long-term debt	5.0
		Cash dividends paid	-3.2
Increase in cash and cash equivalents	12.6	Increase in negotiable deposits	10.0
Cash and cash equivalents at the end of the period	36.1	Cash equivalents	26.1
		Investment securities (negotiable deposits)	10.0
			23.4

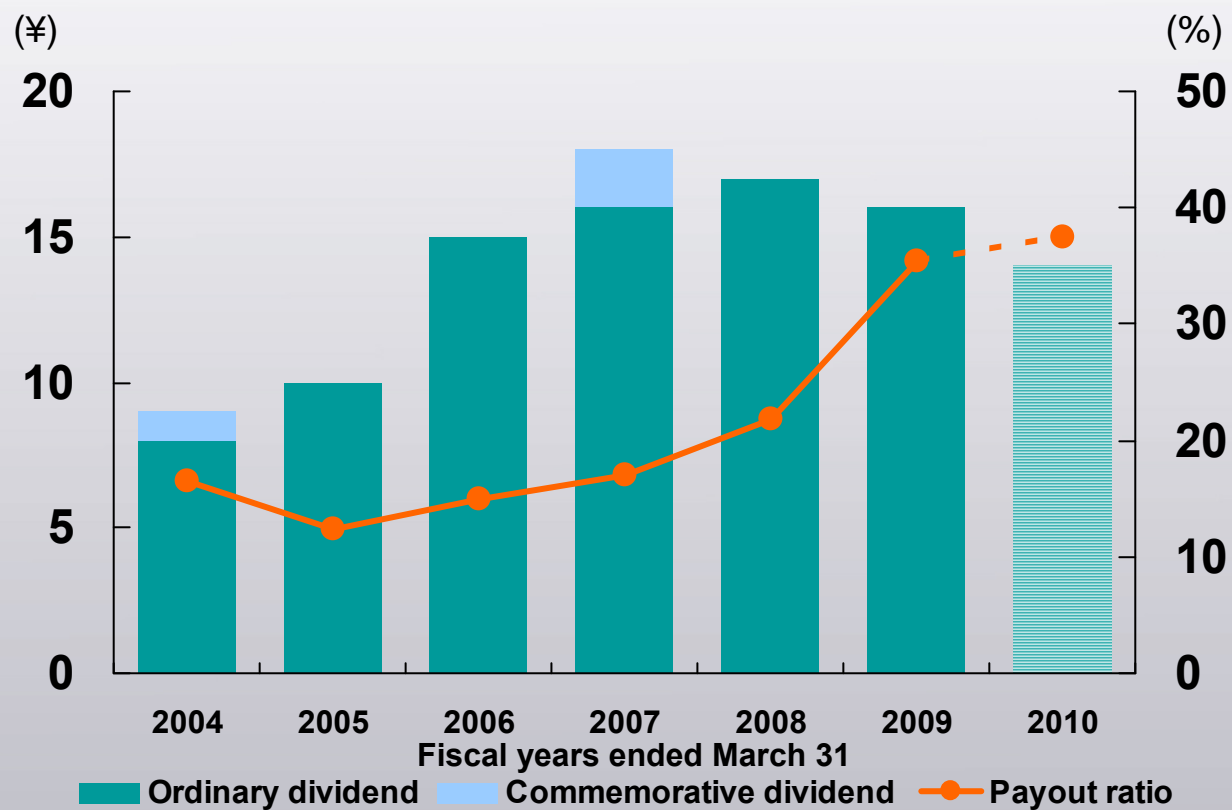
Performance of Major Consolidated Subsidiaries

(¥ Million)

	Company Name	Net Sales	YoY Comparison	Operating Income	YoY Comparison	Net Income	YoY Comparison
Parent Company	Nagase & Co., Ltd.	457,632	88%	2,573	35%	4,621	169%
Manufacturing	Nagase ChemteX Corp.	23,431	85%	936	31%	532	34%
	Totaku Industries, Inc.	7,401	99%	259	49%	63	15%
Sales	Nagase Plastics Co., Ltd.	14,638	96%	29	39%	14	49%
	Nagase Colors & Chemicals Co., Ltd.	13,591	100%	145	83%	90	118%
	Nagase Chemical Co., Ltd.	13,294	88%	167	74%	96	87%
Overseas	Nagase (Hong Kong) Ltd.	80,333	104%	1,547	97%	1,223	91%
	Nagase (Thailand) Co., Ltd.	33,351	93%	1,066	65%	725	63%
	Nagase Singapore (Pte) Ltd.	32,384	91%	390	65%	384	68%

Dividend Policy

Nagase's basic policy is to further enhance its corporate structure and earnings capabilities, while taking into consideration medium- to long-term capital requirements, to continue generating steady dividends.



**Performance Forecast for the
Fiscal Year Ending March 31, 2010**

Performance Forecast for the Fiscal Year Ending March 31, 2010

(¥ Billion)

	Fiscal Year Ending March 31, 2010 (Forecast)	Fiscal Year Ended March 31, 2009 (Actual)	Increase (Decrease)	YoY Comparison (%)
Net Sales	564.0	715.2	-151.2	79%
Gross Profit	58.4	71.5	-13.1	82%
Operating Income	6.8	12.5	-5.7	54%
Ordinary Income	7.7	13.0	-5.3	59%
Net Income	4.8	5.8	-1.0	83%

Performance Forecast by Segment for Fiscal Year Ending March 31, 2010

(¥ Billion)

	Fiscal year ending March 31, 2010 (forecast)	Fiscal year ended March 31, 2009 (actual)	YoY Comparison (%)	Note
Chemicals	208.0	248.4	84%	Japan: 81% vs. the previous year Overseas: 76% vs. the previous year Overseas sales ratio: 43.4%
Plastics	187.5	253.0	74%	Exchange rate: US\$=¥102.8 → ¥90.0 (-12.5%)
Electronics	106.0	153.2	69%	Overseas sales ratio expected to decline to 43.4% due to lower sales at overseas subsidiaries and appreciation of the yen by around 12.5%
Life Sciences	61.0	58.9	104%	Around ¥10 billion in sales will be transferred from the Electronics segment to the Life Sciences segment
Others	1.5	1.5	95%	
Total	564.0	715.2	79%	

Summary of Medium-Term Management Plan *WIT2008*

A technology and intelligence oriented
company that turns wisdom into business

W ---- ***Wisdom***

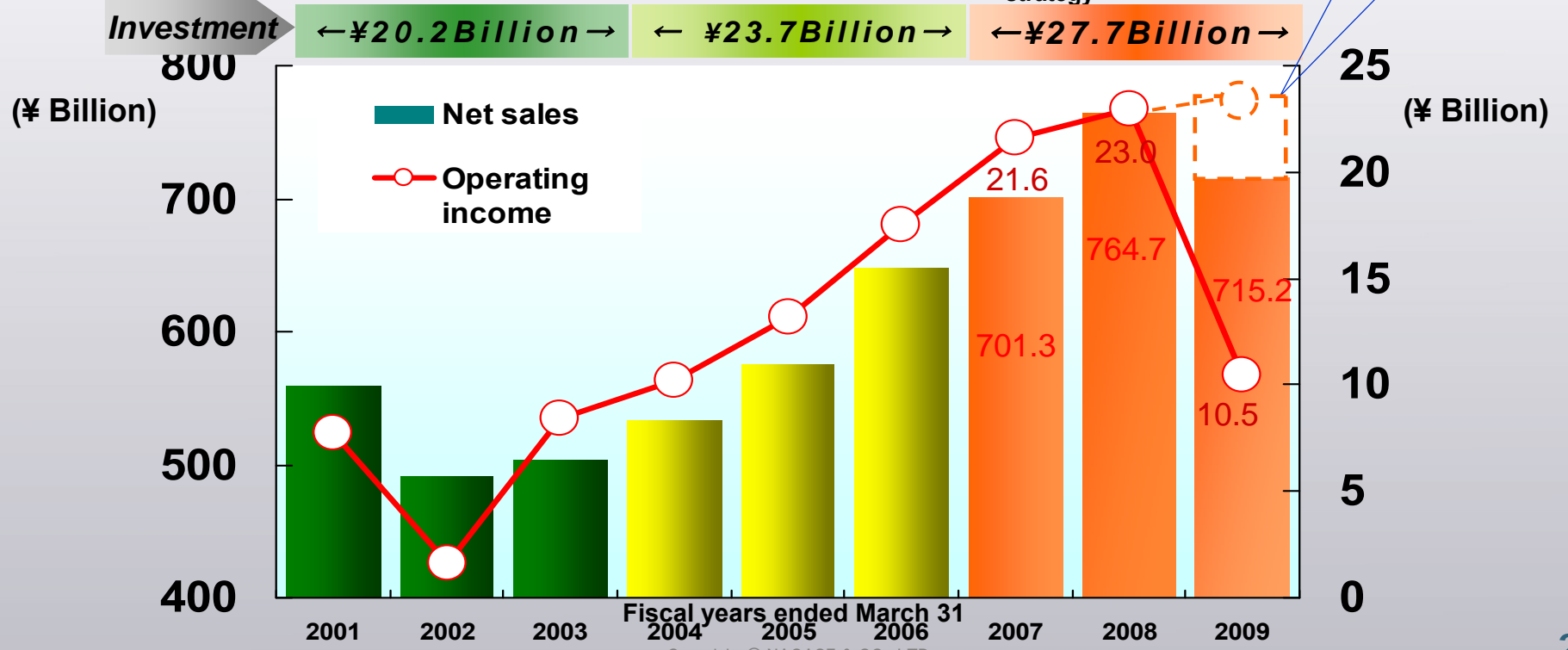
I ---- ***Intelligence***

T ---- ***Technology***

Positioning of Medium-Term Management Plan *WIT2008*

Reform	Implement	Expand/Enhance
<i>WIT2000</i>	<i>WIT21</i>	<i>WIT2008</i>
<ul style="list-style-type: none"> ■ Reform management foundations ■ Launch Group management 	<ul style="list-style-type: none"> ■ Clearly define business policy ■ Enhance business foundations ■ Enhance management foundations 	<ul style="list-style-type: none"> ■ Strengthen administrative operations ■ Maintain Nagase's unique identity ■ Refine business portfolio strategy
← ¥20.2 Billion →	← ¥23.7 Billion →	← ¥27.7 Billion →

Initial targets
Net sales: ¥770.0 billion
Operating income: ¥24.0 billion



Key Measures of the *WIT* Medium-Term Management Plans (fiscal years ended March 31, 2001 through March 31, 2009)

Business structure conversion

Transform into a **technology and intelligence-oriented company with R&D, manufacturing and processing capabilities** while moving away from the intermediary-type import agent business

Expansion of Asian business

Expand scale and volume in Greater China and the ASEAN region, and develop business locations

Shift to consolidated management

- Enhance the **group's cooperative framework** (shift from focus on individual businesses to focus on maximizing interests of the Nagase Group as a whole)
- Respond to changes in accounting frameworks

Promotion of investment

Actively **invest in businesses** in strategic areas

Achievements under *WIT2008*: Refine Business Portfolio Strategy

Invest Aggressively in Key Areas: ¥27.7 billion over three years

Electronics

- Made progress in Sharp's Manufacturing Complex for the 21st Century
- Enhanced manufacturing/ processing businesses such as LCD optic film / glass processing, LCD-related parts processing/ assembly (South China and Taiwan)
- Established semiconductor packaging development center (at Kitakyushu Science and Research Park)

Automotive

- Established automotive frame lamination plant in Indonesia

Life Sciences

- Established phospholipids production plant at Nagase ChemteX's Fukuchiyama Plant
- Expanded facilities for sterile pharmaceutical products at Nagase Medicals Co., Ltd.

Restructure for High Profitability

Strengthen and expand innovative technologies

- Invested in a U.S. nanotechnology-related venture (NanoGram Corp.)
- Developed thermoplastic FRP and sheet encapsulant for electronics parts

Business selection and concentration

- Terminated sales of portable DVD players
- Divested of the Pluswood business

Achievements under *WIT2008*: Refine Business Portfolio Strategy (cont.)

Overseas Strategy:

- Expand overseas sales and presence in Asia

	Fiscal year ended March 31,			
	2006	2007	2008	2009
Overseas sales	¥259.5 billion	¥290.5 billion	¥331.9 billion	¥320.3 billion
Share of overseas sales	40.1%	40.6%	43.4%	44.8%

- Established new / expanded existing locations: Dubai, Vietnam, India

Manufacturing/processing strategy:

- Established Nagase Application Workshop

(operation started in July 2007 in Amagasaki, Hyogo prefecture)

A base for joint development with business partners and for providing technical services with a focus on synthetic resins and colors in the aim of gaining access to manufacturers of consumer goods

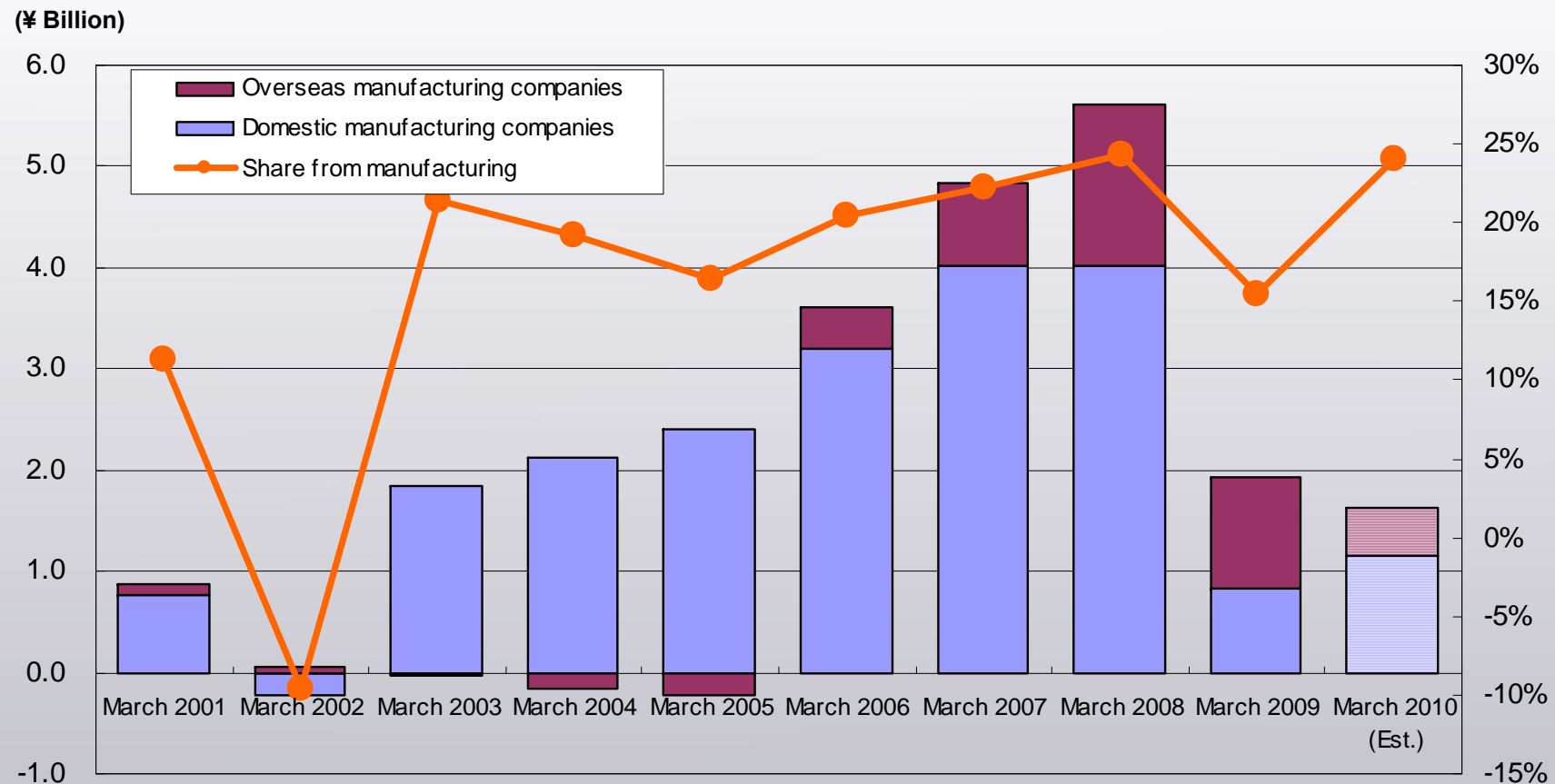
- Enhanced overseas manufacturing functions: Nagase Electronics Technology Co., Ltd., Pac Tech, Nagase Precision Plastics Shanghai Co., Ltd., Dainichi Color Vietnam Co., Ltd., etc.

- Established Nagase Filter Corporation



Share of Operating Income from Manufacturing

The manufacturing division has grown to become a core business function



Achievements under *WIT2008*: Strengthening of Administrative Operations

■ Maintain Sound Financial Position

- Focus on cash flow, improve operating cash flow
Shortened advance-investment recovery period
(Fiscal year ended March 31, 2006: 2.16 months
⇒ Fiscal year ended March 31, 2009: 1.96 months)

■ Improve Consolidated Management System

- Established Greater China Management Office (GCMO) to create a unified operating structure in the region

■ Ensure Thorough Risk Management

- Established Compliance Department to ensure security trade control and chemical control
- Established Quality and Environmental Control Office to strengthen administrative organization for manufacturing business and imported products
- Strengthened and enhanced internal control system
Reformed Compliance Committee as the Risk Compliance Committee
—Built a Comprehensive Risk Management System—

■ Enhance Personnel Quality and Quantity

- Cultivated diversity and specializations
Ran programs to develop, strengthen and train foreign management

New Medium-Term Management Plan

“CHANGE” 11

—To the Next Stage—

Initiatives of the New Medium-Term Management Plan, “CHANGE” 11

3-term (9-year) *WIT* program

W ---- *Wisdom*

I ---- *Intelligence*

T ---- *Technology*



“CHANGE” 11

(Fiscal years ending March 31, 2010
through March 31, 2012)

Improve quality of
business and
operations

Management Philosophy and Future Vision Under “CHANGE” 11

Management philosophy

The Nagase Group is a member of the world's society. As such, it is our duty to maintain good and fair business practices and, through continued growth and development, provide society with the goods and services it needs while improving the welfare of our employees.

Vision for the future

Allow stakeholders to realize their dreams and ideals through our businesses

Continue to grow and raise value with technology as the foundation in businesses in which we are strong

Anticipate changes in market structure and the environment, and make progress with customers by proposing original solutions

Contribute to society and the global environment

Changes in External Environment

- Values expected of a business
Greater emphasis on social contributions, CSR and corporate ethics rather than single-minded profit-making
- Growing concern for the global environment and tighter regulations
- Changes in market structure due to higher prices of crude oil and other natural resources
Greater emphasis on energy saving, weight reduction, recycling, and the development of alternative energy
- Operational launch of new petrochemical plants in the Middle East and China

Employ Strengths to Adapt to Changes in the Petrochemicals Sector

Use comprehensive capabilities to ensure a stable supply of materials, from primary materials to end products

Supply chain
Supply raw materials for specialty products

Demand from wide-ranging areas

- **Plastics**
- **Electronics**
- **Life sciences etc.**

Provide information and business proposals to customers that reflect anticipated future changes

Technology and Intelligence
Handle or reuse byproducts of various manufacturing processes

Monitor trends in demand for byproducts generated by operation of newly constructed plants

Manufacturing functions
Comprehensive initiatives that involve manufacturing-related companies

Within the group: reduce material costs, assure stable supply, and strengthen recycling business

Basic Strategy of “CHANGE” 11

- Corporate ethics
- Environmental and resource issues

Major external changes

Basic strategy
Improve quality of business and operations

Awareness of the need to change

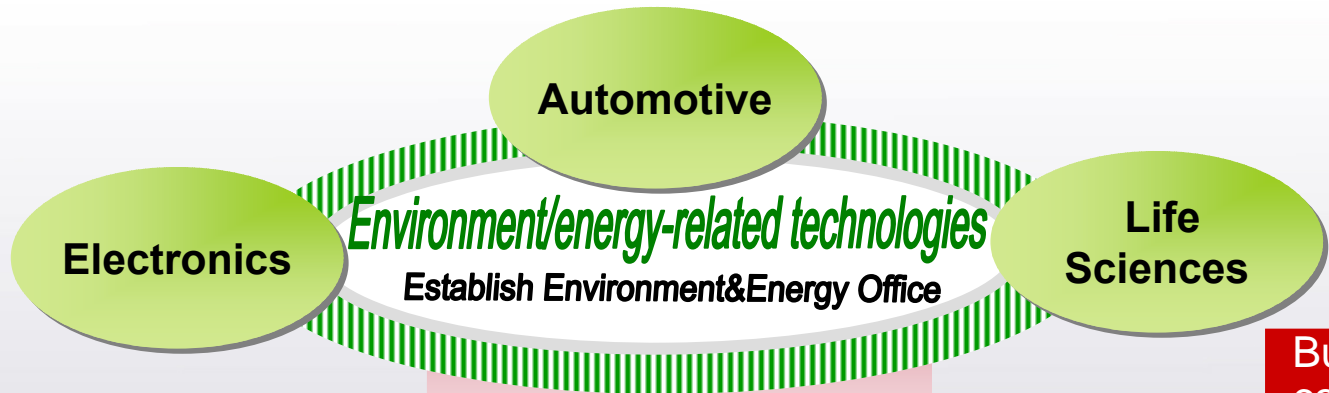
- Sales growth at manufacturing companies
 - Rising overseas sales ratio
 - Increasing overseas headcount
- Changes within the group**

Basic Principle
Maintain Good and Fair Business Practices

Key Initiatives Under “CHANGE” 11

- 1 Select and concentrate businesses**
- 2 Build businesses around environment- and energy-related technologies**
- 3 Strengthen R&D and manufacturing functions**
- 4 Promote globalization**
- 5 Strengthen risk management**
- 6 Promote employee diversity and work-life balance**

Build Businesses Around Environment- and Energy-Related Technologies

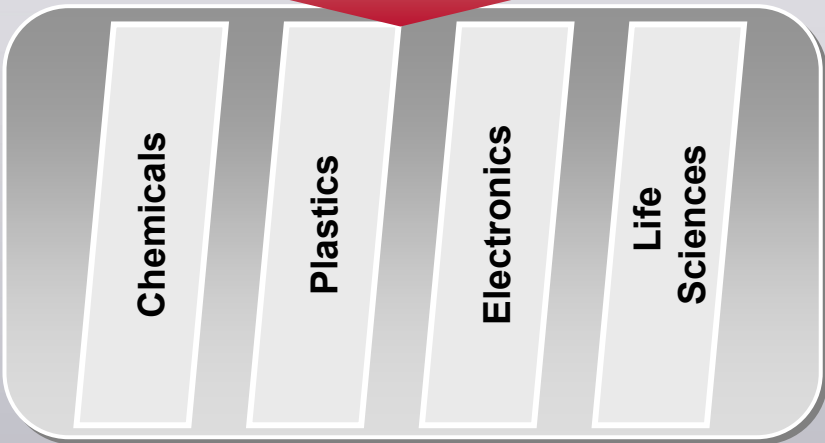


Thoroughly reassess which areas will give full play to our strengths, starting with core areas and technologies

Business selection and concentration based on company-wide strategy

- Identify key areas
- Actively invest in developmental and priority businesses
- Review unprofitable businesses
- Divest of businesses that are not part of the strategy

Existing business segments



Strengthen R&D and Manufacturing Capabilities

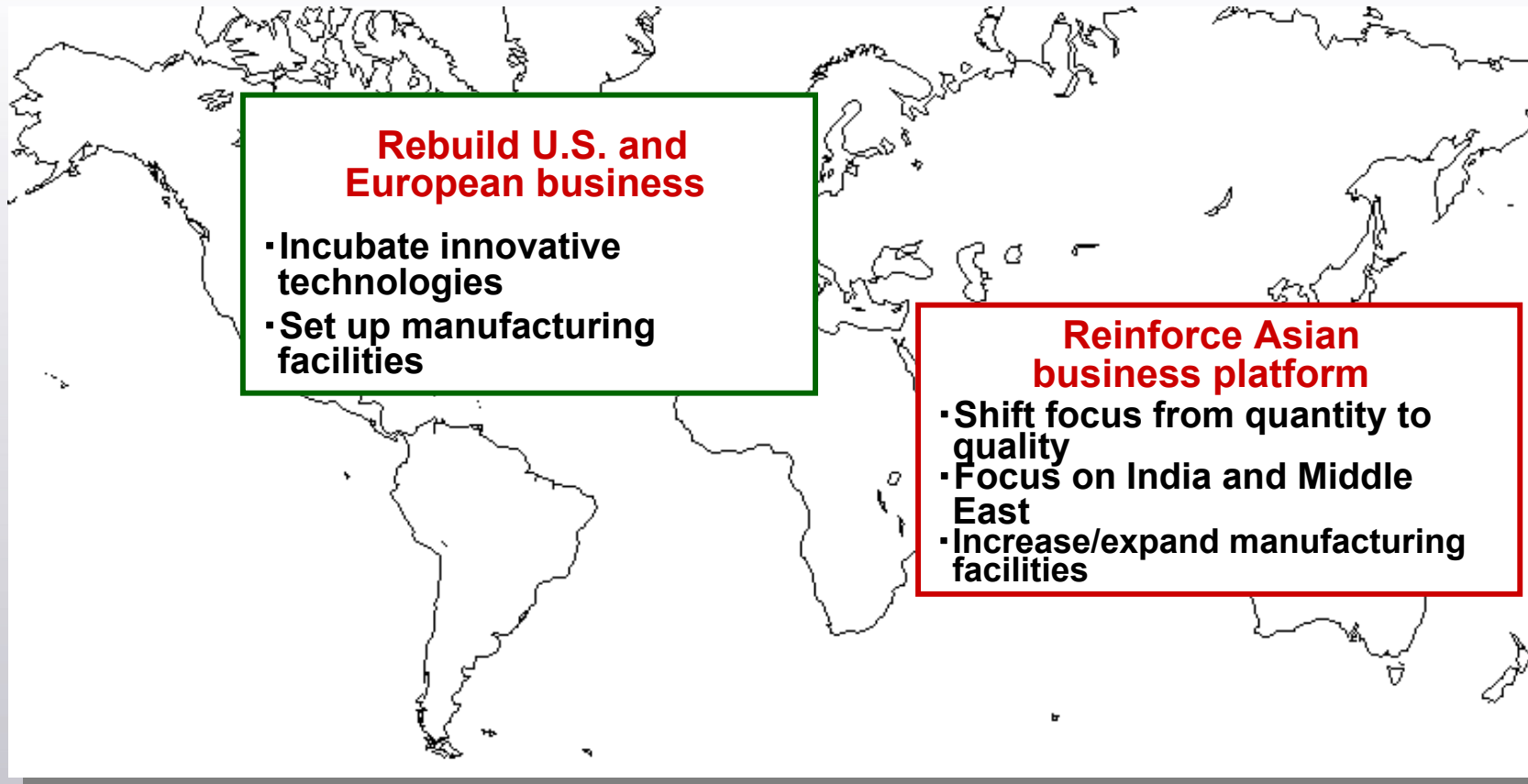
Strengthen Business of Group Manufacturing Companies

Enhance Capabilities through M&As and Investment

Strengthen R&D and Technological Support

Enhance Manufacturing and Quality Control / Guarantee Systems

Continue to Globalize



Reinforce Internal Administrative Functions

Strengthen risk management

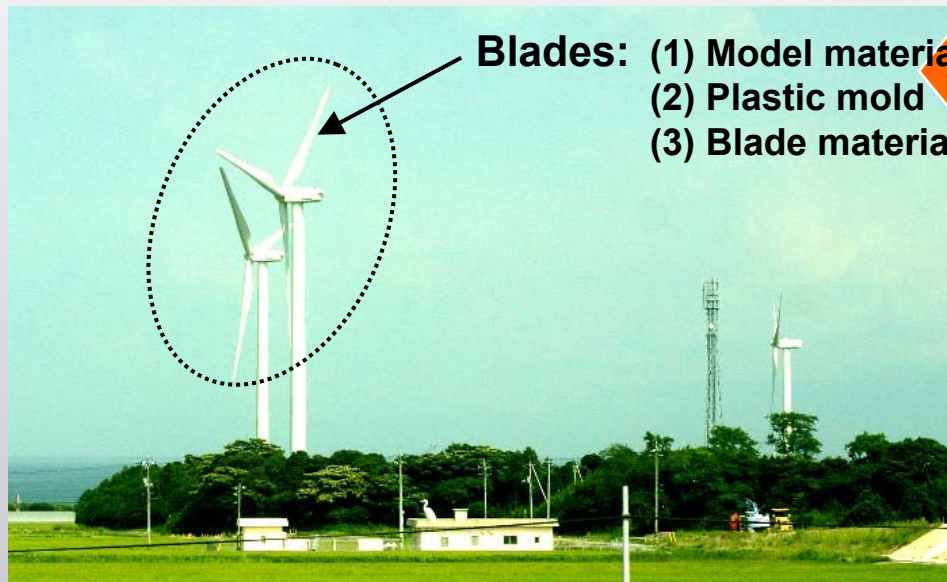
- Strengthen compliance
- Ensure rigorous business risk management and internal control
- Bolster administrative organs/functions (increase headcount, enhance IT infrastructure)

Promote employee diversity and work-life balance

- Develop employee-friendly work environments that maximize employees' diverse abilities and unique qualities
 - Review and improve support structures and systems
 - Create an environment and corporate culture of accepting and respecting diversity

Environment/Energy-Related Business Examples

Nagase ChemteX products used in materials for wind-power generator blades



Utilizing the Nagase Group's technologies and intelligence

Nagase & Co. – Sales:
Intelligence accumulated over the years in the epoxy resin business (electricity industry)

Nagase ChemteX – Product commercialization:
Development and application technology, track record and trust accumulated over many years in the epoxy resin business

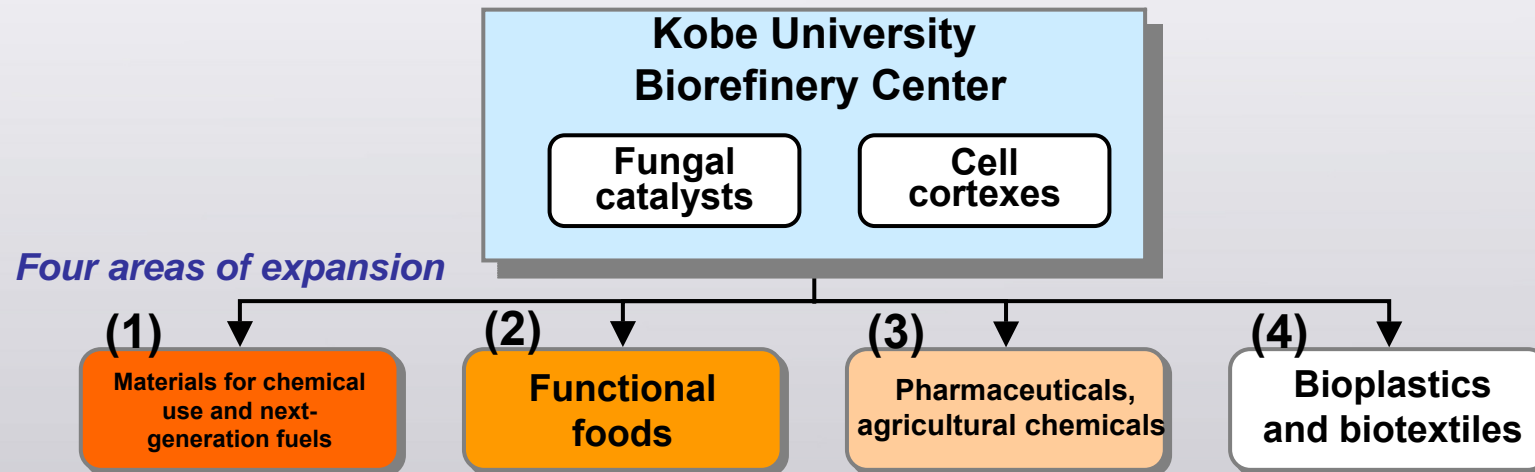
Nagase ChemteX (Wuxi) Corporation – Overseas expansion: Local manufacturing and supply targeting the Chinese market

Environment/Energy-Related Technological Development Examples

Development of applications and advancement of biotechnologies

■ Participation in Kobe University's Cooperative Bioproduction Bases for Next-Generation Agriculture Project

- First research bases in Japan for commercialization of specific products from biomass (biological resources)

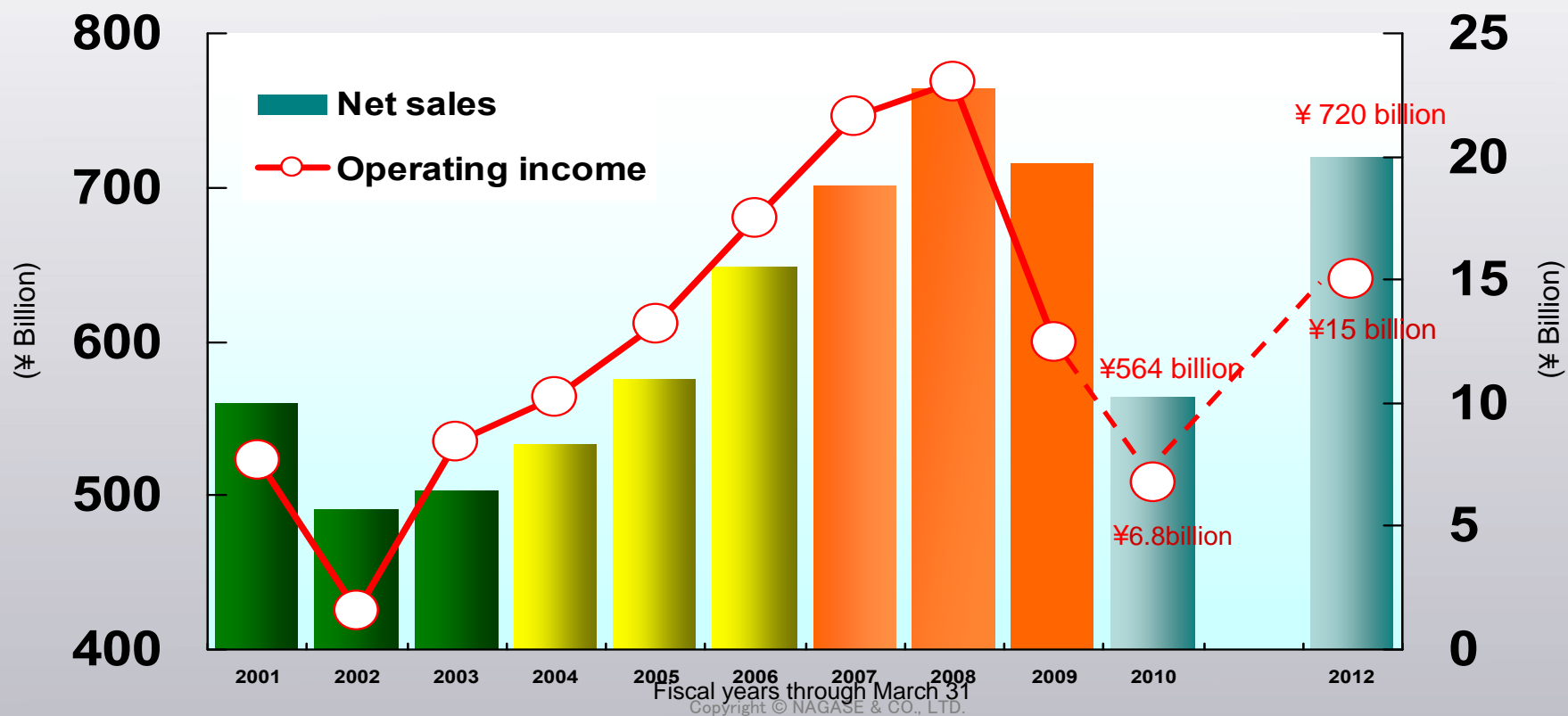
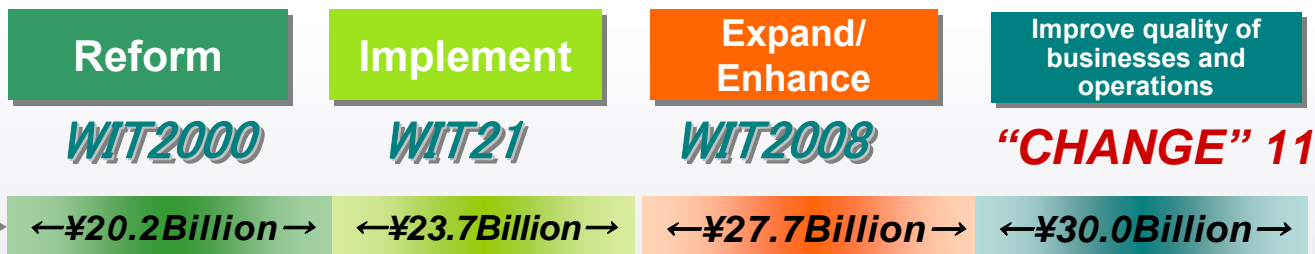


Nagase Co., Ltd.
(Nagase R&D Center)

(Announced participation in July 2008)

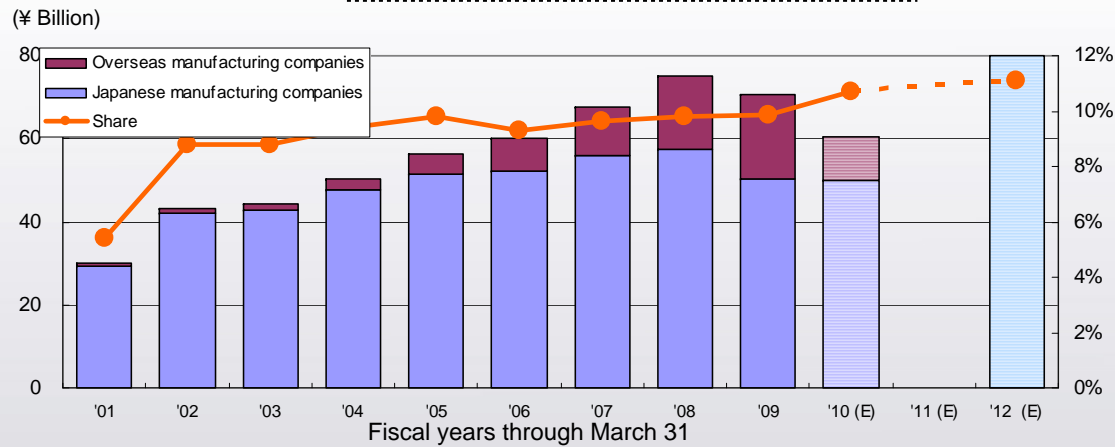
Twelve other companies plan to participate, including Teijin Limited, Mitsui Chemicals, Inc., Asahi Kasei Chemicals Corporation, Daicel Chemical Industries, Ltd., Kaneka Corporation, Gekkeikan Sake Co., Ltd., and Cosmo Oil Co., Ltd.

Numerical Goals under "CHANGE" 11 (1)



Numerical Goals under "CHANGE" 11 (2)

Manufacturing sales to total sales



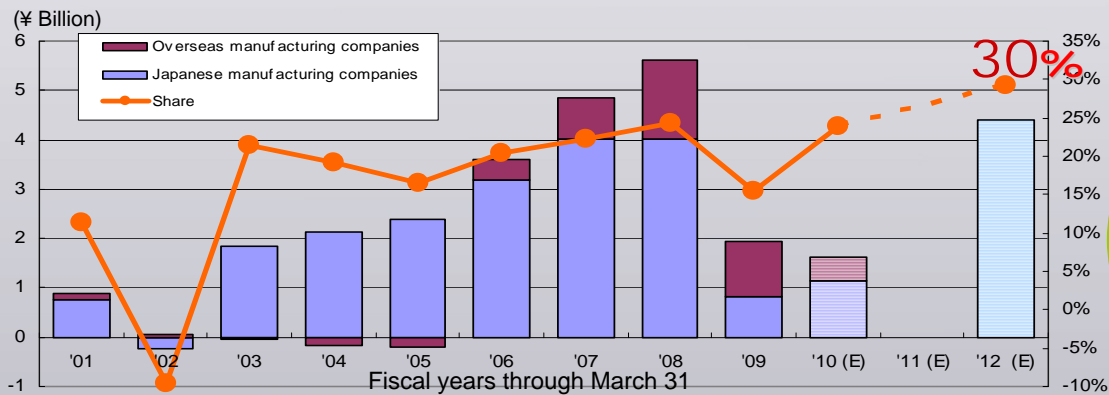
Capital investment projection (3 years)

¥30.0 billion

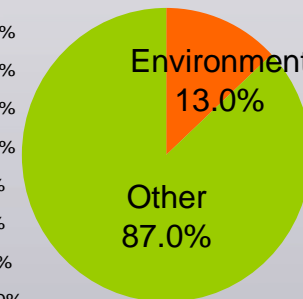
New investment primarily in environment and energy
¥20.0 billion

Renewal of existing equipment
¥10.0 billion

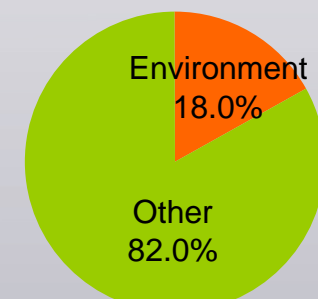
Manufacturing operating income to total operating income



Environment/energy-related sales to total sales



FY ended March 31, 2009



FY ending March 31, 2012 (Est.)

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This presentation contains projections based on assumptions regarding, forecasts of and plans for the future as of May 22, 2009. Actual results may differ from projections due to risks and uncertainties associated with the global economy, competition, exchange rate fluctuations and other risks and uncertain factors.