

Summary of Consolidated Business Results for the First Quarter Ended June 2003

August 8, 2003

Company Name Nagase & Co., Ltd
 Listing Code 8012
 (URL <http://www.nagase.co.jp/>)

Stock Exchanges Listed: Tokyo, Osaka
 Location of Head Office: Osaka Prefecture

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1. Matters concerning the preparation of the Summary of Business Results for the First Quarter of 2003

(1) Change in the recognition of the accounting method from the recent consolidated fiscal years:

Some changes were made in the recognition.

(Description):

Accounting standard of income and other taxes: The amount of these taxes was calculated using the estimated yearly tax rates based on the legal effective tax rates.

For some account items with minor effects, a simpler calculation method was used.

(2) Change in the applicable scope of the consolidation and equity method: The applicable scope was changed.

Newly Consolidated: 2 Newly Applied Equity Method: 1

2. Consolidated Business Results for the First Quarter Ended June 2003 (April 1, 2003 – June 30, 2003)

1) Consolidated Operating Results

(Note: Amounts have been rounded off to the nearest million yen)

	Net Sales		Operating Income		Recurring income	
	¥ Millions	%	¥ Millions	%	¥ Millions	%
First Quarter Ended June 2003	132,926	-	3,480	-	4,933	-
First Quarter Ended June 2002	-	-	-	-	-	-
(Reference) Period Ended March 31, 2003	503,688		8,433		11,284	

	Net (quarterly) income		EPS	Fully Diluted EPS
	¥ Millions	%	¥	¥
First Quarter Ended June 2003	2,784	-	21.89	-
First Quarter Ended June 2002	-	-	-	-
(Reference) Period Ended March 31, 2003	4,186		31.72	-

Notes: 1. Figures shown in percentage of sales, operating income and other items show the ratios of sequential changes compared with the first quarter of 2002. But because no quarterly settlement was made in the quarters of 2002, percentage figures were omitted.
 2. The quarterly business results of 2002 were not presented because no settlement was made for these quarters.

2) Consolidated Financial Position

	Total Assets	Shareholder's Equity	Shareholder's Equity Ratio	Shareholders Equity Per Share
	¥ Millions	¥ Millions	%	¥
First Quarter Ended June 2003	295,005	145,462	49.3	1,143.54
First Quarter Ended June 2002	-	-	-	-
(Reference) Period Ended March 31, 2003	284,800	140,944	49.5	1,107.55

3) Consolidated Cash Flows

	Net Cash from operating activities	Net Cash Used for Investment Activities	Net Cash Used for Financial Activities	Balance of Cash and Cash Equivalents at Term End
	¥ Millions	¥ Millions	¥ Millions	¥ Millions
First Quarter Ended June 2003	-2,172	-946	-1,860	14,141
First Quarter Ended June 2002	-	-	-	-
(Reference) Period Ended March 31, 2003	4,392	963	-7,643	19,044

Notes: The quarterly business results of 2002 were not presented because no settlement was made for these quarters.

3. Consolidated Forecasts for the Year Ended March 31, 2004 (April 1, 2003 - March 31, 2004)

No change has been made to the forecasts published on May 14, 2003 both for the subsequent quarters and for the entire fiscal year.

	Net Sales	Recurring Income	Net Income	EPS
	¥ Millions	¥ Millions	¥ Millions	¥
Interim Period	255,000	6,000	2,600	20.44
Whole Year	509,000	11,800	6,000	46.70

*The above forecasts were prepared on the basis of information available on the date of release. Actual results may differ from these forecasts due to various factors.

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[Qualitative information about the situation of business results (consolidated) and others]

Group Results

During the first quarter ended June 2003, the Japanese economy experienced a continued uncertainty about employment and income, although there were some signs of touching bottom, and domestic business activities failed to get rid of stagnancy. Business conditions in the U.S. and Europe also lacked the power enough to revitalize the global economy.

Under these conditions, the Company's consolidated domestic sales for the first quarter were ¥89,840 million and its overseas sales were ¥43,080 million. The total sales amounted to ¥132,920 million.

Because the sales were steady in general, the Company's operating income totaled to ¥3,480 million, its ordinary income, ¥4,930 million, and its net income for the quarter, ¥2,780 million.

Results by Business Segment

[Chemicals] Sales: ¥60,200 million

In the Chemicals business, overseas sales were inactive while domestic sales were steady. The Company suffered weakness in the export of plastic raw materials to Asia and food additives to the U.S. and Europe, and also poor domestic sales of some insecticides. On the other hand, the sales of functional pigments for computer displays and surface-active agent materials were favorable, and those of paint materials and pharmaceutical intermediates were solid, too.

[Plastics] Sales: ¥39,770 million

The Plastics business was firm as a whole. At home, although the sales of construction materials remained sluggish, those of special film products and project products for the domestic market were steady. Overseas, the sales of machines and equipment were poor, but those of acryl optical waveguides were favorable. Solid sales were achieved for plastics in the Asian market, too.

[Electronics] Sales: ¥29,870 million

The Company enjoyed a favorable growth in the Electronics business. The sales of Nagase Group products were steady, while electronic parts and members attained very good results, including liquid crystal parts for the Asian and domestic market, parts for communications stations for China and precision grinding-related business.

[Health Care & Others] Sales: ¥3,060 million

The Health Care business experienced stagnancy in the sales of health food, as well as in medical care information systems and radiation measurement-related business. Other business remained firm.

[Qualitative information about changes in financial position (consolidated)]

Due to increase in receivables and investments in securities, the company's total assets grew by ¥10,200 million sequentially to ¥295,000 million.

Also, because there were increases in the amount appropriated to capital of retained earnings and other latent profits, the shareholders' equity climbed by ¥4,510 million sequentially to ¥145,460 million.

As a result, the ratio of shareholders' equity fell by 0.2 percent points sequentially to 49.3%.

[Situation of consolidated cash flows]

In the cash flows from operating activities, income before income taxes and minority interests amounted to ¥5,090 million, but due to increased operating funds, payment of income and other taxes, and decrease in accrued retirement benefits for employees, cash in an amount of ¥2,170 million was used.

In the cash flow from investing activities, there was income from sale of part of investments in securities, but because expenditure was made for acquisition of tangible fixed assets and increase in short-term loans, cash amounting to ¥940 million was used..

In the cash flows from financing activities, cash in an amount of ¥1,860 million was used for repayment of bank loans and dividend payments.

As a result, the balance of cash and cash equivalents at the end of the first quarter ended June 2003 decreased by ¥4,900 million sequentially to ¥14,140 million.

[Qualitative information about future business expectations and others]

Although the results for the quarter under review were above the planned level, the Company has not changed its consolidated business forecast published on May 14, 2003 for the subsequent quarters and for the entire fiscal year because of the unstable world economy and great uncertainties about the future business trend of the Japanese economy. The forecast for non-consolidated business has not been changed, either.