

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2024 <Under Japanese GAAP>

August 3, 2023

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

NAGASE & CO., LTD.

Stock exchange listing: Tokyo (Prime Market)

Code number: 8012 URL (<https://www.nagase.co.jp/english/>)

Representative: Hiroyuki Ueshima, Representative Director and President

Contact: Yoshihisa Shimizu, Executive Officer, General Manager, Corporate Management Department

TEL: +81-3-3665-3103

Filing of quarterly report (scheduled): August 9, 2023

Start of distribution of dividends (scheduled): -

Supplementary documents of quarterly financial results: Yes

Quarterly investors' meeting: No

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

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2024

(April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the first quarter ended June 30, 2023	224,062	2.0	38,707	-3.0	6,955	-36.0	7,338	-36.4	4,367	-45.2
June 30, 2022	219,571	19.1	39,904	15.4	10,871	11.6	11,542	8.3	7,969	11.2

(Note) Comprehensive income

First quarter ended June 30, 2023: ¥14,866 million (12.8% decrease)

First quarter ended June 30, 2022: ¥17,047 million (57.6%)

	Earnings per share		Earnings per share (diluted)	
	Yen		Yen	
For the first quarter ended June 30, 2023	37.45		-	
June 30, 2022	66.69		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2023	774,807	385,268	48.3	3,232.75
March 31, 2023	762,688	378,388	48.2	3,139.26

(Reference) Equity capital

As of June 30, 2023: ¥ 374,134 million

As of March 31, 2023: ¥ 367,675 million

2. Dividends

	Annual Dividends per Share				
	1Q	2Q	3Q	Fiscal year end	Annual
For the year ended (or ending)	Yen				
March 2023	-	30.00	-	40.00	70.00
March 2024	-	-	-	-	-
March 2024 (forecast)	-	40.00	-	40.00	80.00

(Note) Revisions to the latest dividends forecast: No

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	958,000	4.9	171,000	10.0	34,500	3.4	32,600	0.2	24,000	1.6	209.35

(Note) Revisions to the latest consolidated earnings forecast: No

* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): No

New: — (Company name:) Excluded: — (Company name:)

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes*, (3) *Notes Related to Quarterly Consolidated Financial Statements (Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)*, on P.9 of this document

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

i. Changes in accordance with revisions to accounting and other standards: Yes

ii. Changes in items other than (i) above: No

iii. Changes in accounting estimates: No

iv. Restatement of prior period financial statements after error corrections: No

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes*, (3) *Notes Related to Quarterly Consolidated Financial Statements (Change in Accounting Policy)*, on P.9 of this document

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

June 30, 2023	117,908,285 shares	March 31, 2023	117,908,285 shares
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ii. Number of treasury stock as of the fiscal period end

June 30, 2023	2,175,451 shares	March 31, 2023	786,718 shares
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iii. Average number of shares during the period

June 30, 2023	116,646,422 shares	June 30, 2022	119,507,343 shares
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(Note) The number of treasury stock as of the fiscal period end includes Company shares held by the Stock-Granting Trust for Directors (292,200 shares as of June 30, 2023). Treasury stock deducted from the calculation of the average number of shares during the period includes Company shares held by the Stock-Granting Trust for Directors (292,200 shares as of June 30, 2023).

*** Quarterly financial statements are not subject to quarterly review.**

* Cautionary Statement with Respect to Forecasts of Consolidated Business Results

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

For matters related to earnings forecasts, please refer to 1. *Qualitative Information*, (3) *Qualitative Information Related to Consolidated Earnings Forecasts*, on P.4 of this document.

(Segment Information, etc.)

Segment Information

I Three-month period ended June 30, 2022 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	28,654	65,131	33,933	27,018	64,814	219,553	18	219,571	—	—	219,571
Intersegment sales/transfers	283	198	284	386	128	1,282	1,372	2,654	—	(2,654)	—
Total	28,937	65,329	34,218	27,405	64,943	220,835	1,391	222,226	—	(2,654)	219,571
Segment income (loss)	2,388	2,599	2,617	932	4,144	12,682	(13)	12,668	(1,982)	185	10,871

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
3. Adjustments are eliminations of intersegment transactions.
4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in “Consolidated”.

II Three-month period ended June 30, 2023 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	26,026	58,974	35,538	31,136	72,386	224,062	0	224,062	—	—	224,062
Intersegment sales/transfers	188	164	922	852	197	2,326	1,837	4,163	—	(4,163)	—
Total	26,214	59,138	36,461	31,989	72,548	226,388	1,837	228,226	—	(4,163)	224,062
Segment income (loss)	1,620	1,247	2,320	947	3,254	9,390	92	9,482	(2,644)	117	6,955

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
3. Adjustments are eliminations of intersegment transactions.
4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in “Consolidated”.