

# FY2024 First Quarter Financial Briefing

**NAGASE&CO.,LTD.**

Stock exchange listing : Tokyo (Prime Market)  
Code number : 8012

**August 5, 2024**

*Embracing Authenticity,  
Embracing Change*



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## <Appendix>

- ✓ Sales, Gross Profit, and Operating Income by Quarter (Before Allocation of Corporate & Others)
- ✓ Review: Business Environment by Segment - From the FY2023 Financial Briefing

# Consolidated Statements Income

- ▶ Gross profit was the highest ever for a first quarter; gross profit margin improved across all business segments
- ▶ Operating income increased and operating income ratio improved despite higher selling, general and administrative expenses, stemming from increased logistics costs, and higher personnel expenses
- ▶ Despite challenges in the Prinova Group manufacturing business, consolidated performance overall was favorable compared to our full-year forecast

|  | 100 millions of yen |           |        |          |          |             |
|--|---------------------|-----------|--------|----------|----------|-------------|
|  | FY2023 1Q           | FY2024 1Q | Change | Vs.PY    | Forecast | Achievement |
| <b>Sales</b>                                       | 2,240               | 2,392     | 151    | 107%     | 9,400    | 25%         |
| <b>Gross profit</b>                                | 387                 | 457       | 70     | 118%     | 1,800    | 25%         |
| <Profit Ratio>                                     | 17.3%               | 19.1%     | 1.9ppt | –        | 19.1%    | –           |
| <b>SG&amp;A expenses</b>                           | 317                 | 350       | 33     | 110%     | 1,435    | –           |
| <b>Operating income</b>                            | 69                  | 107       | 37     | 154%     | 365      | 29%         |
| <Profit Ratio>                                     | 3.1%                | 4.5%      | 1.4ppt | –        | 3.9%     | –           |
| <b>Ordinary income</b>                             | 73                  | 109       | 36     | 149%     | 352      | 31%         |
| <b>Profit Attributable to owners of the parent</b> | 43                  | 74        | 30     | 170%     | 280      | 26%         |
| US\$ Exchange rate (period average)                | @ 137.5             | @ 155.9   | @ 18.4 | Weak yen | @ 148.0  |             |
| RMB Exchange rate (period average)                 | @ 19.6              | @ 21.5    | @ 1.9  | Weak yen | @ 20.0   |             |

※ Offset to sales and cost of sales from revenue recognition standards: FY2023 1Q -¥63.5 billion, FY2024 1Q -¥66.8 billion

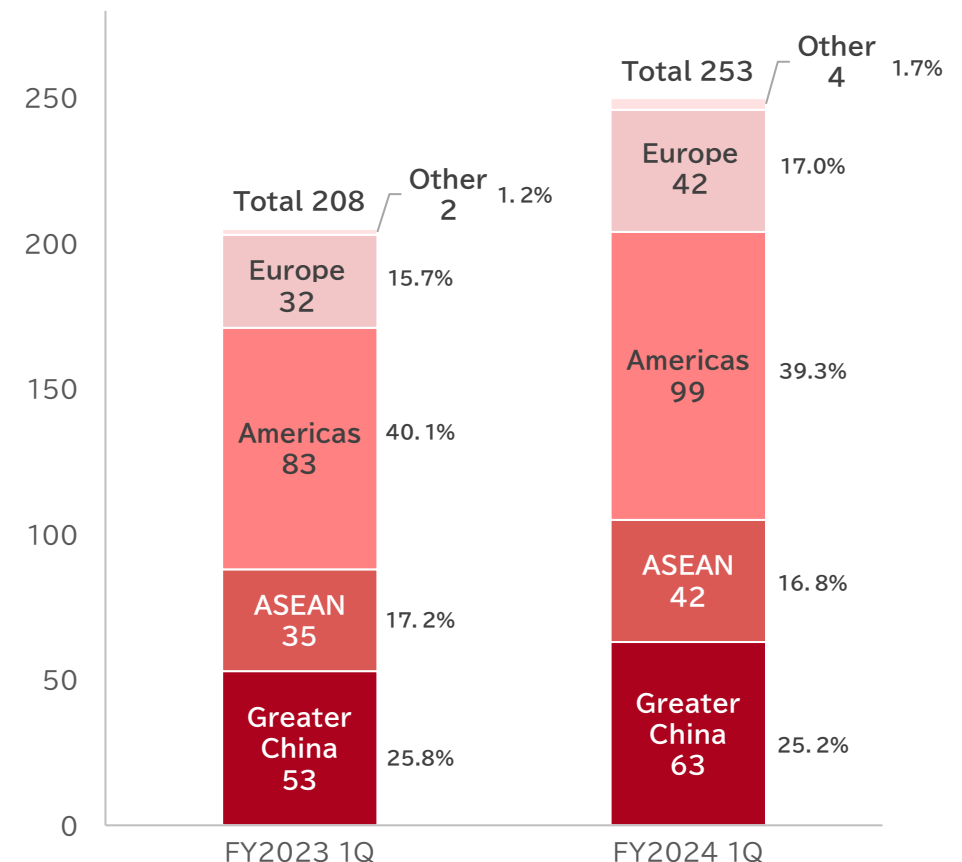
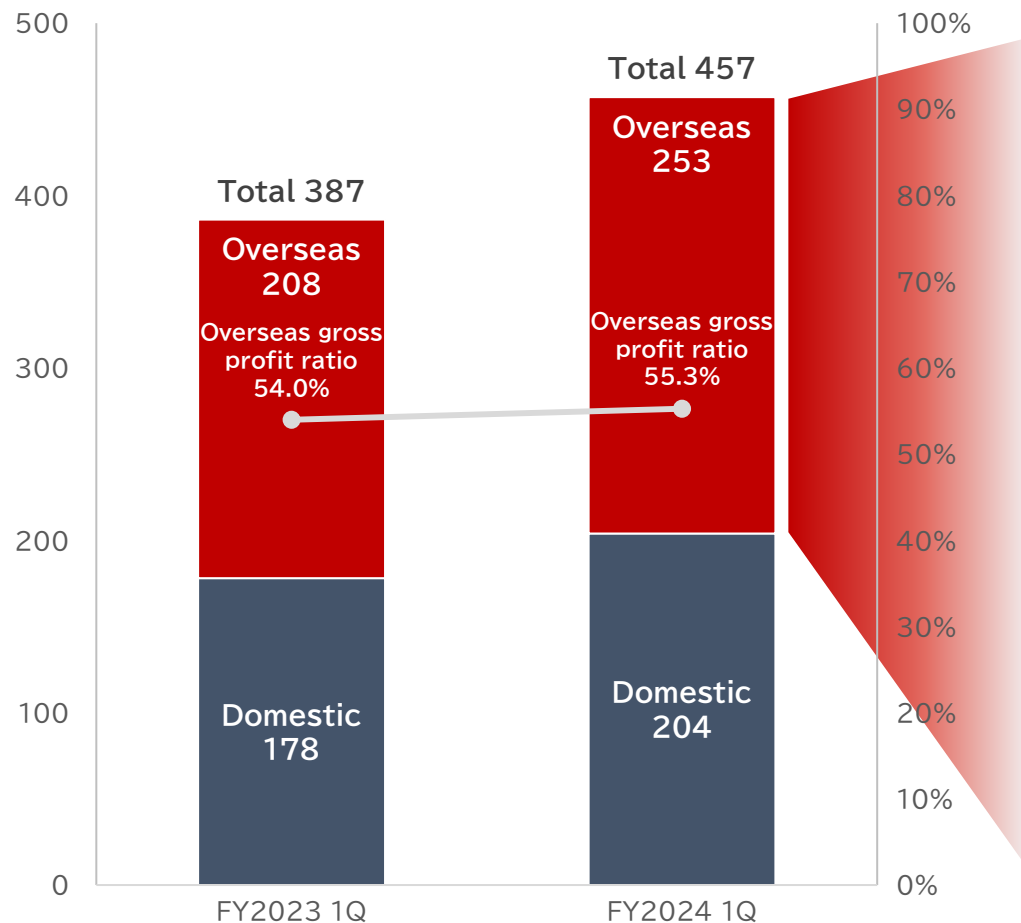
※ Impact from foreign exchange: Gross profit, +¥2.6 billion; Operating income, +¥0.6 billion

# Gross Profit by Region

- ▶ Higher profit both domestic and overseas
- ▶ Increase in domestic business sales, mainly due to higher sales of formulated epoxy resins for semiconductor applications and sales of raw materials
- ▶ Overseas profit increased, mainly due to the impact of the weak yen and improved profitability in food ingredient sales, resin sales, etc.

Domestic & Overseas Gross profit(100 millions of yen)

Overseas gross profit By Region(100 millions of yen)

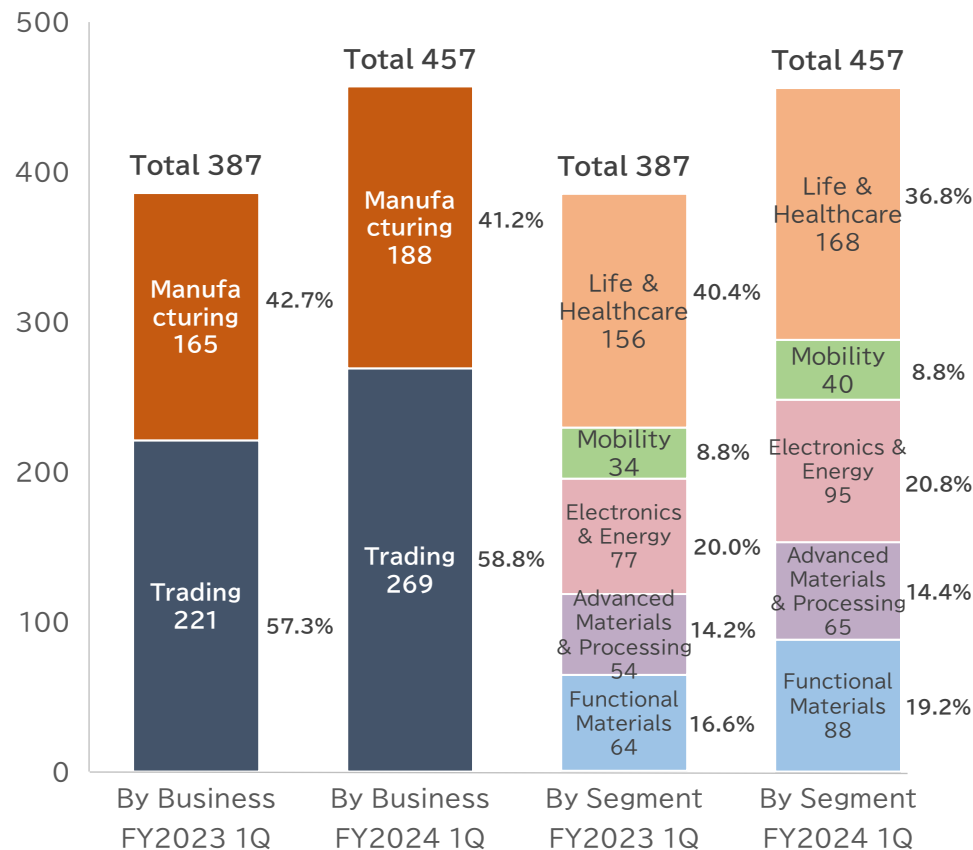


※Domestic figures under Domestic & Overseas Gross Profit include inter-regional adjustments

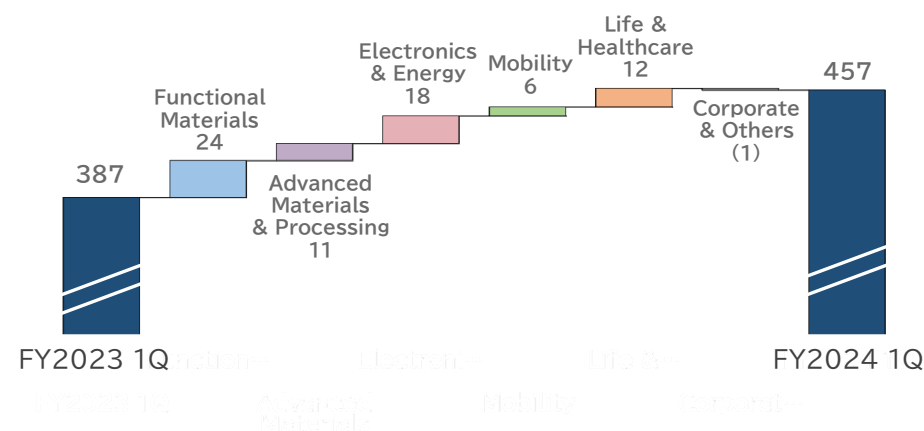
# Gross Profit by Business & Segment

- ▶ Functional Materials saw an increase in profit with higher sales of coating materials and raw materials for the electronics industry, including semiconductor-related products; in addition, the color formers business (manufacturing business of the digital print processing materials manufacturing business) narrowed losses
- ▶ Higher profit in Advanced Materials & Processing due to a recovery in global demand for resins for office equipment and video game device applications in the electrical appliances and electronic industries, as well as recent signs of a rebound from a low in market conditions
- ▶ Profit in Electronics & Energy increased due to increased sales of raw materials for semiconductor-related products and formulated epoxy resins for semiconductor- and mobile device products
- ▶ Life & Healthcare profit increased, mainly due to strong sales of Prinova Group food ingredients

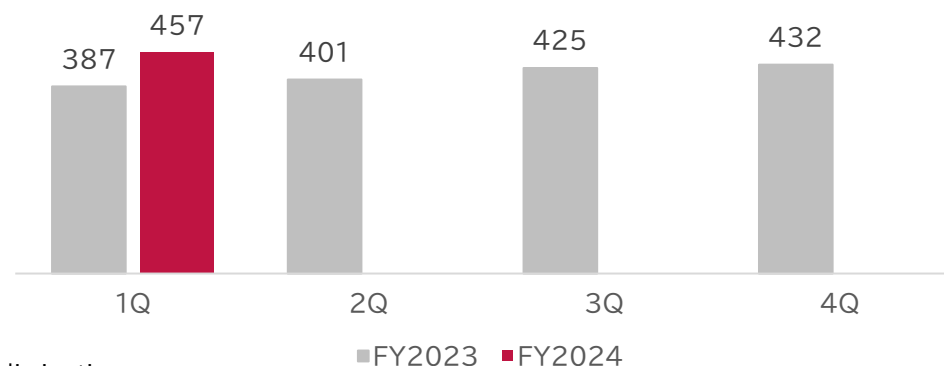
Gross Profit By Business & Segment (100 millions of yen)



Change in Gross Profit By Segment (100 millions of yen)



History of Gross Profit(100 millions of yen)

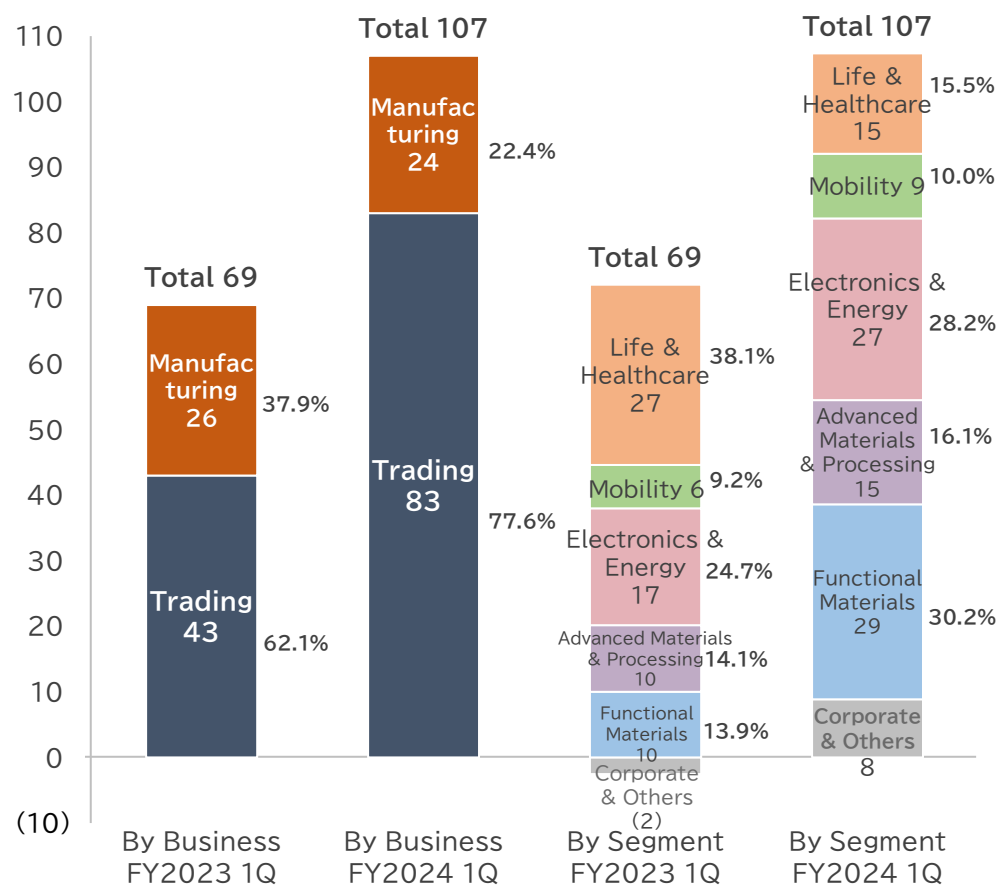


- \* Trading company figures include Corporate & Others and eliminations
- \* Certain eliminations for FY2023 have been reclassified to manufacturing
- \* Calculation of segment composition ratios does not include Corporate & Others and eliminations

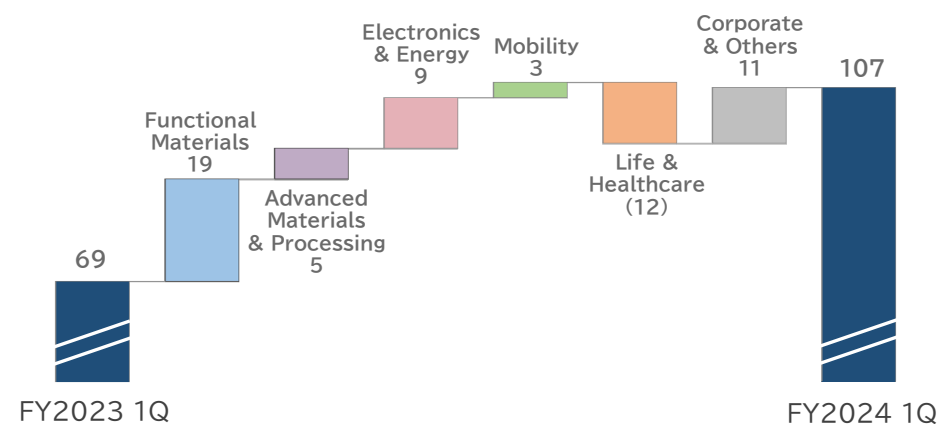
# Operating Income by Business & Segment

- ▶ Despite strong sales of formulated epoxy resins by Nagase ChemteX and narrowed losses in the color formers business, manufacturing business operating income decreased overall, mainly due to the impact of lower profit in the Prinova Group
- ▶ Corporate & Others increased, mainly due to gain on the amortization of actuarial differences

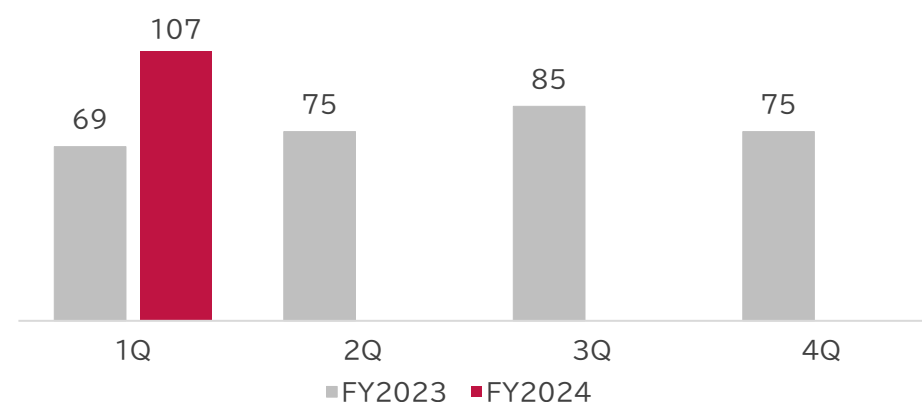
Operating Income by Business & Segment (100 millions of yen)



Change in Operating Income By Segment (100 millions of yen)



History of Operating Income (100 millions of yen)



- \* Trading company figures include Corporate & Others and eliminations
- \* Certain eliminations for FY2023 have been reclassified to manufacturing
- \* Calculation of segment composition ratios does not include Corporate & Others and eliminations



# Sales, Gross Profit and Operating Income by Quarter

► Ongoing strong performance in the second half of FY2023

100 millions of yen

| Quarterly results |        | 1Q    | 2Q    | 3Q    | 4Q    | 1Q<br>YTD | FY2024<br>forecast |
|-------------------|--------|-------|-------|-------|-------|-----------|--------------------|
|                   |        |       |       |       |       |           | FY2023<br>Actual   |
| Sales             | FY2024 | 2,392 |       |       |       | 2,392     | 9,400              |
|                   | FY2023 | 2,240 | 2,261 | 2,275 | 2,224 | 2,240     | 9,001              |
|                   | YoY%   | 6.8%  |       |       |       | 6.8%      | 4.4%               |
| Gross profit      | FY2024 | 457   |       |       |       | 457       | 1,800              |
|                   | FY2023 | 387   | 401   | 425   | 432   | 387       | 1,647              |
|                   | YoY%   | 18.3% |       |       |       | 18.3%     | 9.3%               |
| <profit ratio>    | FY2024 | 19.1% |       |       |       | 19.1%     | 19.1%              |
|                   | FY2023 | 17.3% | 17.8% | 18.7% | 19.4% | 17.3%     | 18.3%              |
| Manufacturing     | FY2024 | 188   |       |       |       | 188       |                    |
|                   | FY2023 | 165   | 160   | 183   | 185   | 165       | 695                |
| Trading           | FY2024 | 269   |       |       |       | 269       |                    |
|                   | FY2023 | 221   | 241   | 242   | 246   | 221       | 952                |
| Operating income  | FY2024 | 107   |       |       |       | 107       | 365                |
|                   | FY2023 | 69    | 75    | 85    | 75    | 69        | 306                |
|                   | YoY%   | 54.3% |       |       |       | 54.3%     | 19.2%              |
| <profit ratio>    | FY2024 | 4.5%  |       |       |       | 4.5%      | 3.9%               |
|                   | FY2023 | 3.1%  | 3.3%  | 3.8%  | 3.4%  | 3.1%      | 3.4%               |
| Manufacturing     | FY2024 | 24    |       |       |       | 24        |                    |
|                   | FY2023 | 26    | 17    | 25    | 21    | 26        | 91                 |
| Trading           | FY2024 | 83    |       |       |       | 83        |                    |
|                   | FY2023 | 43    | 58    | 59    | 54    | 43        | 214                |

\*Each profit measure for the trading company includes the effect of eliminations, but certain eliminations for FY2023 have been reclassified to manufacturing

# Segment Overview

- ▶ Sales of coating materials rose, mainly due to strong sales to the automobile industry
- ▶ Sales increased for raw materials for the electronics industry, including semiconductor-related products
- ▶ Losses narrowed in the color formers business (digital print processing materials manufacturing business) due to the suspension of production in the U.S. and consolidation of the manufacturing base to Japan
- ▶ Operating income increased year on year (loss in the color formers business in the previous year when sales stagnated generally due to inventory adjustments among customers)

100 millions of yen

| Quarterly results |        | 1Q     | 2Q    | 3Q    | 4Q    | 1Q<br>YTD | FY2024<br>forecast | FY2023<br>Actual |
|-------------------|--------|--------|-------|-------|-------|-----------|--------------------|------------------|
| Sales             | FY2024 | 405    |       |       |       | 405       |                    | 1,550            |
|                   | FY2023 | 364    | 357   | 375   | 370   | 364       |                    | 1,468            |
|                   | YoY%   | 11.4%  |       |       |       | 11.4%     |                    | 5.6%             |
| Gross profit      | FY2024 | 88     |       |       |       | 88        |                    | 306              |
|                   | FY2023 | 64     | 68    | 73    | 75    | 64        |                    | 281              |
|                   | YoY%   | 37.8%  |       |       |       | 37.8%     |                    | 8.8%             |
| <profit ratio>    | FY2024 | 21.8%  |       |       |       | 21.8%     |                    | 19.7%            |
|                   | FY2023 | 17.6%  | 19.1% | 19.5% | 20.4% | 17.6%     |                    | 19.2%            |
| Manufacturing     | FY2024 | 6      |       |       |       | 6         |                    | 8                |
|                   | FY2023 | 1      | 1     | 2     | 3     | 1         |                    | 8                |
| Trading           | FY2024 | 82     |       |       |       | 82        |                    | 272              |
|                   | FY2023 | 62     | 66    | 71    | 71    | 62        |                    | 272              |
| Operating income  | FY2024 | 29     |       |       |       | 29        |                    | 68               |
|                   | FY2023 | 10     | 14    | 19    | 17    | 10        |                    | 61               |
|                   | YoY%   | 197.2% |       |       |       | 197.2%    |                    | 10.4%            |
| <profit ratio>    | FY2024 | 7.3%   |       |       |       | 7.3%      |                    | 4.4%             |
|                   | FY2023 | 2.7%   | 4.1%  | 5.1%  | 4.8%  | 2.7%      |                    | 4.2%             |
| Manufacturing     | FY2024 | 2      |       |       |       | 2         |                    | (9)              |
|                   | FY2023 | (3)    | (2)   | (2)   | (1)   | (3)       |                    | (9)              |
| Trading           | FY2024 | 27     |       |       |       | 27        |                    | 71               |
|                   | FY2023 | 13     | 17    | 21    | 19    | 13        |                    | 71               |

## [Key Measures]

### Performance Chemicals Dept.

- ▶ Capture business opportunities in the petrochemical industry and in response to market changes by leveraging our global procurement capabilities
- ▶ Propose sustainable materials and solutions (biodegradable bio-SAPs, chemical joint logistics matching, etc.)

### Speciality Chemicals Dept.

- ▶ Expand chemicals business for the semiconductor industry, where we expect market growth
- ▶ Create businesses leveraging unique technologies (flow synthesis, MOF\*, etc.)

※ Metal Organic Frameworks (metal-organic structures)





# Topics: Improve Business Initiatives

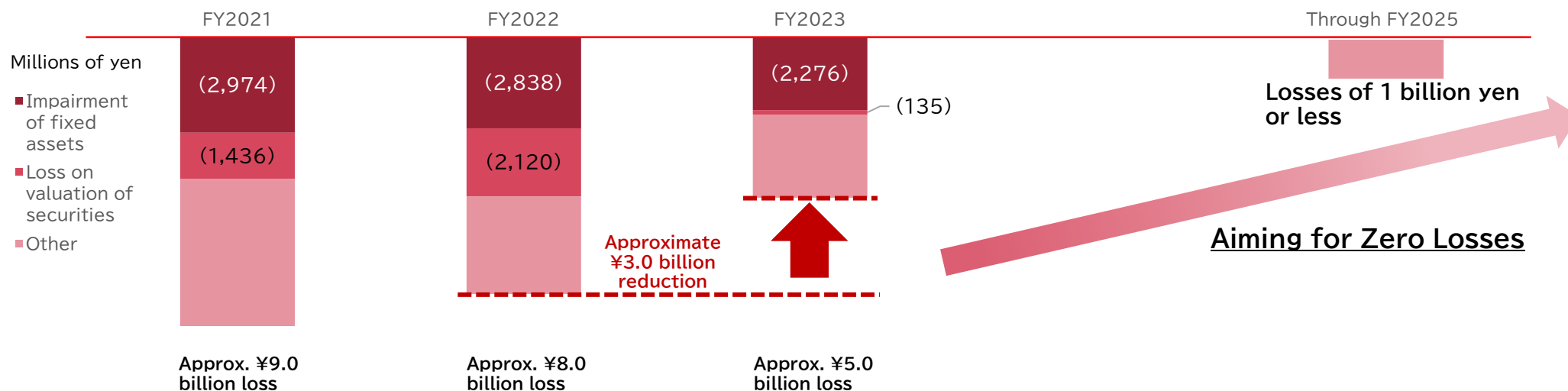
- ▶ We halted production at SOFIX, a color formers manufacturing subsidiary, last fiscal year
- ▶ We made the decision to withdraw from the color formers business in the U.S.

## SOFIX LLC

- ▶ Color formers manufacturing and sales base in Tennessee, U.S.A., posting an operating loss of ¥1.1 billion for FY2023
- ▶ Significantly narrowed operating loss in FY2024, contributing to improved gross profit and operating income in the Functional Materials segment

## Group-Wide Initiatives

### [Operating Loss, Loss in Equity, Impairment Loss, and Unprofitable Transactions With Operating Subsidiaries]



# Segment Overview

- ▶ Resin sales increased with the recovery in demand for office equipment applications in the electric and electronic industries
- ▶ Sales of resin mold products increased for the manufacturing sector
- ▶ Operating income increased due to an increase in gross profit as profitability continued to recover from a bottom in the resin sales market

100 millions of yen

| Quarterly results |        | 1Q    | 2Q    | 3Q    | 4Q    | 1Q<br>YTD | FY2024<br>forecast<br>FY2023<br>Actual |
|-------------------|--------|-------|-------|-------|-------|-----------|--|
| Sales             | FY2024 | 535   |       |       |       | 535       | 2,072                                  |
|                   | FY2023 | 485   | 536   | 477   | 485   | 485       | 1,985                                  |
|                   | YoY%   | 10.2% |       |       |       | 10.2%     | 4.4%                                   |
| Gross profit      | FY2024 | 65    |       |       |       | 65        | 248                                    |
|                   | FY2023 | 54    | 61    | 61    | 57    | 54        | 236                                    |
|                   | YoY%   | 20.1% |       |       |       | 20.1%     | 5.0%                                   |
| <profit ratio>    | FY2024 | 12.3% |       |       |       | 12.3%     | 12.0%                                  |
|                   | FY2023 | 11.3% | 11.5% | 13.0% | 11.9% | 11.3%     | 11.9%                                  |
| Manufacturing     | FY2024 | 12    |       |       |       | 12        | 49                                     |
|                   | FY2023 | 11    | 12    | 14    | 11    | 11        |  |
| Trading           | FY2024 | 53    |       |       |       | 53        | 186                                    |
|                   | FY2023 | 43    | 49    | 47    | 46    | 43        |  |
| Operating income  | FY2024 | 15    |       |       |       | 15        | 55                                     |
|                   | FY2023 | 10    | 15    | 16    | 11    | 10        | 53                                     |
|                   | YoY%   | 56.3% |       |       |       | 56.3%     | 3.5%                                   |
| <profit ratio>    | FY2024 | 3.0%  |       |       |       | 3.0%      | 2.7%                                   |
|                   | FY2023 | 2.1%  | 2.9%  | 3.4%  | 2.3%  | 2.1%      | 2.7%                                   |
| Manufacturing     | FY2024 | 2     |       |       |       | 2         | 8                                      |
|                   | FY2023 | 1     | 2     | 3     | 0     | 1         |  |
| Trading           | FY2024 | 13    |       |       |       | 13        | 44                                     |
|                   | FY2023 | 8     | 13    | 12    | 10    | 8         |  |

## [Key Measures]

### Polymer Global Account Dept.

- ▶ Shift resources to priority (e.g., Mexico and India) in line with the transition in global brand owner production bases
- ▶ Expand transactions in environmental materials (NAGASE products and products from other companies)
- ▶ Improve efficiency of global business operations and optimize organizational structure



In-house technology to convert powders into ultra-high density pellets



Logistics hub in ASEAN (Philippines)

# Segment Overview

- ▶ Sales of materials to the semiconductor industry increased due to the moderate market recovery
- ▶ Sales of materials for electronic devices increased due to higher demand
- ▶ Sales of formulated epoxy resins increased high-end server applications and mobile device applications
- ▶ Operating income increased due to improved gross profit

100 millions of yen

| Quarterly results |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   | FY2024<br>forecast | FY2023<br>Actual |
|-------------------|--------|-------|-------|-------|-------|-------|--------------------|------------------|
| Sales             | FY2024 | 400   |       |       |       | 400   |                    | 1,493            |
|                   | FY2023 | 355   | 356   | 375   | 360   | 355   |                    | 1,447            |
|                   | YoY%   | 12.8% |       |       |       | 12.8% |                    | 3.1%             |
| Gross profit      | FY2024 | 95    |       |       |       | 95    |                    | 377              |
|                   | FY2023 | 77    | 86    | 85    | 92    | 77    |                    | 342              |
|                   | YoY%   | 23.7% |       |       |       | 23.7% |                    | 10.1%            |
| <profit ratio>    | FY2024 | 23.8% |       |       |       | 23.8% |                    | 25.3%            |
|                   | FY2023 | 21.7% | 24.2% | 22.9% | 25.8% | 21.7% |                    | 23.6%            |
| Manufacturing     | FY2024 | 33    |       |       |       | 33    |                    | 131              |
|                   | FY2023 | 27    | 31    | 33    | 39    | 27    |                    |                  |
| Trading           | FY2024 | 62    |       |       |       | 62    |                    | 210              |
|                   | FY2023 | 50    | 54    | 52    | 53    | 50    |                    |                  |
| Operating income  | FY2024 | 27    |       |       |       | 27    |                    | 86               |
|                   | FY2023 | 17    | 24    | 21    | 25    | 17    |                    | 88               |
|                   | YoY%   | 55.5% |       |       |       | 55.5% |                    | (2.8%)           |
| <profit ratio>    | FY2024 | 6.9%  |       |       |       | 6.9%  |                    | 5.8%             |
|                   | FY2023 | 5.0%  | 6.9%  | 5.6%  | 6.9%  | 5.0%  |                    | 6.1%             |
| Manufacturing     | FY2024 | 7     |       |       |       | 7     |                    | 34               |
|                   | FY2023 | 4     | 8     | 8     | 11    | 4     |                    |                  |
| Trading           | FY2024 | 19    |       |       |       | 19    |                    | 54               |
|                   | FY2023 | 12    | 15    | 12    | 13    | 12    |                    |                  |

## [Key Measures]

### Electronics Dept.

- ▶ Expansion of commercial products in the semiconductor market
  - Create businesses based on expansion of domestic production
  - Expand business in Europe, the U.S., India, etc.
- ▶ Develop business for cutting-edge electronic devices

### Advanced Functional Materials Dept.

- ▶ Expand sales of Nagase ChemteX products for advanced semiconductors
- ▶ Propose and implement new technologies that will become the industry standard for next-generation semiconductors
- ▶ Expand proposals further for environment X semiconductor X technology



New semiconductor wafer bumping line  
at PacTech Asia

# Topics: Semiconductor-Related Developments

- ▶ Expanding business in advanced semiconductors for high-end servers
- ▶ Pursuing proposals for new concept materials (a-SMC: advanced sheet molding compound) aiming to become the de facto standard for the next generation; with expected strong and growing demand for existing liquid molding compound (LMC), Nagase ChemteX has decided to expand production facilities
- ▶ Put supply system in place to launch business for the recovery and recycling of developer used in semiconductor plants in Japan

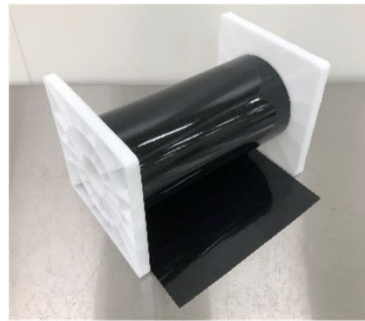
## Expansion of the Nagase ChemteX LMC \*production line

### ▶ Additional line at the Harima Plant

- We decided to expand production systems in anticipation of the recent increase in demand in the business for high-end servers, including servers for generative AI
- Doubled production capacity by adding lines at existing plant; full-scale operations scheduled to start in 2H
- Plans to expand facilities flexibly in response to market demand in the future



LMC



a-SMC



Nagase ChemteX Process Innovation Center



## SN Tech business for the recovery and recycling of developer solution

### ▶ Solutions responding to environmental requirements in semiconductor manufacturing

- Reduce industrial waste disposal costs significantly, in addition to Tetramethyl Ammonium Hydroxide (TMAH) and water reuse

### ▶ MOBIUS SYSTEM® CHEMICAL RECYCLING

- Innovative technology that allows the recycled use of TMAH recovered in the manufacturing process
- Developed by SN Tech's JV partner SACHEM (privately held U.S. chemical company founded in 1950), which has expert knowledge and technology related to chemicals
- ▶ Completed delivery of large-scale equipment to customer's plant in July
- Large-scale equipment to recover TMAH from semiconductor plants delivered, expected to start operations in 2025 or later



# Segment Overview

- ▶ Despite the impact of lower production volume among Japanese customers in China, Resin sales increased with the global increase in automobile production volume
- ▶ Sales increased in functional materials and functional components for interior and exterior fittings and electrification
- ▶ Operating income increased due to improved gross profit

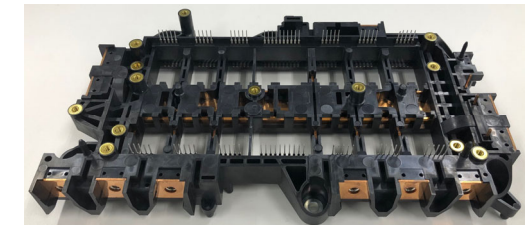
100 millions of yen

| Quarterly results |        | 1Q    | 2Q    | 3Q    | 4Q    | 1Q<br>YTD | FY2024<br>forecast |
|-------------------|--------|-------|-------|-------|-------|-----------|--------------------|
|                   |        |       |       |       |       |           | FY2023<br>Actual   |
| Sales             | FY2024 | 321   |       |       |       | 321       | 1,387              |
|                   | FY2023 | 311   | 337   | 353   | 319   | 311       | 1,321              |
|                   | YoY%   | 3.1%  |       |       |       | 3.1%      | 5.0%               |
| Gross profit      | FY2024 | 40    |       |       |       | 40        | 160                |
|                   | FY2023 | 34    | 39    | 41    | 37    | 34        | 152                |
|                   | YoY%   | 17.8% |       |       |       | 17.8%     | 5.0%               |
| <profit ratio>    | FY2024 | 12.5% |       |       |       | 12.5%     | 11.5%              |
|                   | FY2023 | 11.0% | 11.8% | 11.7% | 11.6% | 11.0%     | 11.5%              |
| Manufacturing     | FY2024 | —     |       |       |       | —         |                    |
|                   | FY2023 | —     | —     | —     | —     | —         | —                  |
| Trading           | FY2024 | 40    |       |       |       | 40        |                    |
|                   | FY2023 | 34    | 39    | 41    | 37    | 34        | 152                |
| Operating income  | FY2024 | 9     |       |       |       | 9         | 32                 |
|                   | FY2023 | 6     | 10    | 11    | 7     | 6         | 36                 |
|                   | YoY%   | 49.7% |       |       |       | 49.7%     | (11.5%)            |
| <profit ratio>    | FY2024 | 3.1%  |       |       |       | 3.1%      | 2.3%               |
|                   | FY2023 | 2.1%  | 3.1%  | 3.3%  | 2.3%  | 2.1%      | 2.7%               |
| Manufacturing     | FY2024 | —     |       |       |       | —         |                    |
|                   | FY2023 | —     | —     | —     | —     | —         | —                  |
| Trading           | FY2024 | 9     |       |       |       | 9         |                    |
|                   | FY2023 | 6     | 10    | 11    | 7     | 6         | 36                 |

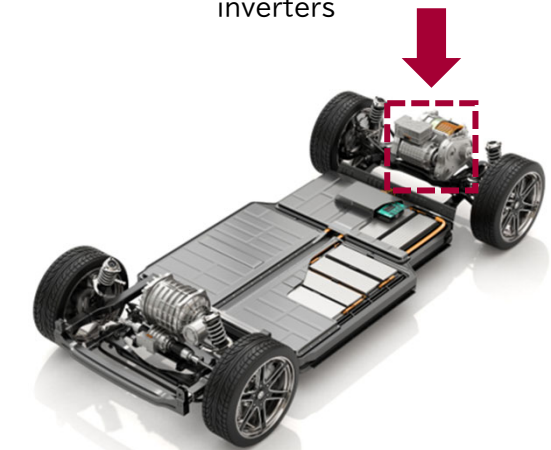
## [Key Measures]

### Mobility Solutions Dept.

- ▶ Expand electrification-related materials and components further
- ▶ Invest resources in growth markets (e.g., North America and India)



Metal insert mold parts for automotive inverters





# Segment Overview

- ▶ Prinova Group recovered profitability and increased sales year on year, after the decline in the food ingredients market in the previous year
- ▶ Nagase Viita cosmetic material sales increased in Japan, but declined overseas due to inventory adjustments, etc., among customers
- ▶ Increased sales of intermediates and pharmaceutical raw materials
- ▶ Operating income decreased, despite an increase in gross profit, mainly due to an increase in selling, general and administrative expenses (e.g. personnel expenses) at the Prinova Group

100 millions of yen

| Quarterly results |        | 1Q      | 2Q    | 3Q    | 4Q    | 1Q<br>YTD | FY2024<br>forecast |
|-------------------|--------|---------|-------|-------|-------|-----------|--------------------|
|                   |        | 1Q      | 2Q    | 3Q    | 4Q    | YTD       | FY2023<br>Actual   |
| Sales             | FY2024 | 728     |       |       |       | 728       | 2,897              |
|                   | FY2023 | 723     | 673   | 693   | 687   | 723       | 2,777              |
|                   | YoY%   | 0.7%    |       |       |       | 0.7%      | 4.3%               |
| Gross profit      | FY2024 | 168     |       |       |       | 168       | 710                |
|                   | FY2023 | 156     | 145   | 163   | 168   | 156       | 634                |
|                   | YoY%   | 8.0%    |       |       |       | 8.0%      | 11.9%              |
| <profit ratio>    | FY2024 | 23.2%   |       |       |       | 23.2%     | 24.5%              |
|                   | FY2023 | 21.6%   | 21.6% | 23.6% | 24.5% | 21.6%     | 22.8%              |
| Manufacturing     | FY2024 | 136     |       |       |       | 136       |                    |
|                   | FY2023 | 125     | 114   | 133   | 131   | 125       | 505                |
| Trading           | FY2024 | 32      |       |       |       | 32        |                    |
|                   | FY2023 | 30      | 30    | 30    | 37    | 30        | 129                |
| Operating income  | FY2024 | 15      |       |       |       | 15        | 94                 |
|                   | FY2023 | 27      | 13    | 19    | 20    | 27        | 80                 |
|                   | YoY%   | (44.5%) |       |       |       | (44.5%)   | 17.4%              |
| <profit ratio>    | FY2024 | 2.1%    |       |       |       | 2.1%      | 3.2%               |
|                   | FY2023 | 3.8%    | 1.9%  | 2.8%  | 3.0%  | 3.8%      | 2.9%               |
| Manufacturing     | FY2024 | 11      |       |       |       | 11        |                    |
|                   | FY2023 | 23      | 9     | 15    | 12    | 23        | 60                 |
| Trading           | FY2024 | 4       |       |       |       | 4         |                    |
|                   | FY2023 | 4       | 3     | 3     | 8     | 4         | 19                 |

\*Each profit measure for the trading company includes the effective of eliminations, but certain eliminations for FY2023 have been reclassified to manufacturing

## [Key Measures]

### Life & Healthcare Products Dept.

- ▶ Focus on expanding sales of in-house products in Japan and overseas
- ▶ Expand cross-sales through stronger collaboration among overseas group bases and offices
- ▶ Expand bio-materials  
(Creation of NVI\*1, NBIC\*2 bio-derived materials; e.g., ergothioneine mass produced using fermentation technology)
- ▶ Expand Prinova Group manufacturing

※1 Nagase Viita

※2 Nagase Bio-Innovation Center



Expected Effects by ergothioneine



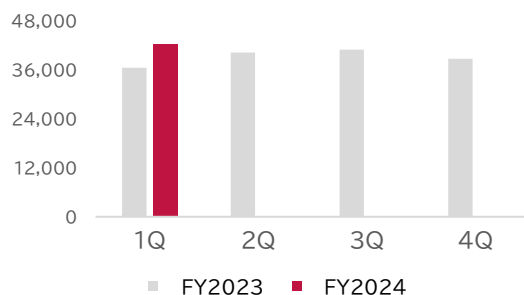
# Topics: Current Status of the Prinova Group

- ▶ Trading company business continued to see an increase in sales volume and improving profit margins
- ▶ Manufacturing is making progress in efficiency with production system concerns resolved; we expect profits to recover beginning in the second half of FY2024

## Trading

- ▶ Sales volume is increasing as market share continues to expand
- ▶ Gross profit margin is improving compared to FY2023, when the market was affected by a sharp decline due to oversupply by Chinese food ingredient manufacturers
- ▶ Market conditions should improve further due to production adjustments by Chinese food ingredient manufacturers
- ▶ Despite risks of logistics disruptions due to the closure of the Suez Canal, the increase in the number of days required for logistics, and container shortages, we have high expectations for stable procurement through Prinova Group functions

Sales Volume Trend  
(Trading)



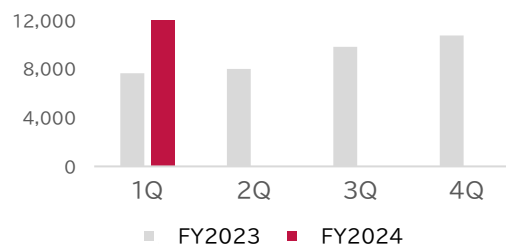
Ingredient distribution



## Manufacturing

- ▶ Utah Plant
  - Despite delays, we completed the manufacturing automation process to the level envisioned originally
  - At the same time, the sports nutrition industry as a whole is growing, even with shades of gray among customers
  - We acquired a contract processing pipeline of products with the potential for high market share; however, many of these products will start between the second half of FY2024 and FY2025
- ▶ Tennessee Plant
  - Pursuing automation in stick pack production (product answering market needs for individual packaging); we expect labor costs to decline in the future
  - We expect profit contribution to begin in 2H FY2024 as sales increase due to demand growth and cost reductions stemming from automation

Sales Volume  
(Manufacturing)



# Overview of Major Manufacturing Subsidiaries

- ▶ Nagase ChemteX: Increase in operating income due to strong sales of formulated epoxy resin used in high-end server applications
- ▶ Nagase Viita: Despite strong domestic sales of food products and cosmetic ingredients, operating income decreased due to lower sales of cosmetic material for overseas markets, mainly due to inventory adjustments
- ▶ Prinova Group: Gross profit increased due to higher sales volume and improved profit margins in food ingredients sales; operating income decreased due to higher selling, general and administrative expenses and weak performance in manufacturing

|                            |  | 100 millions of yen |           |          |       |          |                     |
|----------------------------|--|---------------------|-----------|----------|-------|----------|---------------------|
|                            |  | FY2023 1Q           | FY2024 1Q | Change   | Vs.PY | Forecast | Forecast Comparison |
| Nagase ChemteX Corporation | Sales                                      | 57                  | 66        | 8        | 115%  | 261      | 25%                 |
|                            | Gross profit                               | 17                  | 20        | 3        | 120%  | 80       | 26%                 |
|                            | <profit ratio>                             | 30.2%               | 31.6%     | 1.4ppt   | -     | 30.7%    | -                   |
|                            | Operating income                           | 5                   | 7         | 2        | 144%  | 26       | 28%                 |
|                            | <profit ratio>                             | 9.2%                | 11.5%     | 2.3ppt   | -     | 10.3%    | -                   |
| Nagase Viita Co., Ltd.     | Sales                                      | 89                  | 86        | (3)      | 97%   | 369      | 23%                 |
|                            | Gross profit                               | 34                  | 33        | (1)      | 96%   | 140      | 24%                 |
|                            | <profit ratio>                             | 38.4%               | 38.2%     | (0.2ppt) | -     | 37.9%    | -                   |
|                            | Operating income                           | 16                  | 13        | (3)      | 80%   | 57       | 23%                 |
|                            | <profit ratio>                             | 18.4%               | 15.3%     | (3.1ppt) | -     | 15.4%    | -                   |
|                            | Goodwill amortization etc.                 | 7                   | 7         | -        | 100%  | 29       | 26%                 |
|                            | Operating income after amortization burden | 8                   | 5         | (3)      | 63%   | 27       | 20%                 |
| *Prinova Group             | Sales                                      | 516                 | 504       | (11)     | 98%   | 2,091    | 24%                 |
|                            | Gross profit                               | 87                  | 99        | 12       | 114%  | 421      | 24%                 |
|                            | <profit ratio>                             | 16.9%               | 19.7%     | 2.8ppt   | -     | 20.2%    | -                   |
|                            | Operating income                           | 19                  | 13        | (6)      | 68%   | 81       | 17%                 |
|                            | <profit ratio>                             | 3.8%                | 2.7%      | (1.1ppt) | -     | 3.9%     | -                   |
|                            | Goodwill amortization etc.                 | 6                   | 6         | 0        | 112%  | 27       | 25%                 |
|                            | Operating income after amortization burden | 13                  | 6         | (6)      | 49%   | 54       | 12%                 |

\* FY2023 results did not include the impact of profit or loss due to eliminations other than amortization of goodwill, etc.; we changed the figures to include these factors from the perspective of appropriate performance disclosure

# Consolidated Balance Sheets

► Working capital increased due to strong performance and the impact of the weak yen  
(US\$ conversion rate: ¥151.4 (March 31, 2024); ¥161.1 (June 30, 2024))  
(RMB conversion rate: ¥20.8 (March 31, 2024); ¥22.0 (June 30, 2024))

100 millions of yen

|                                   | 2024/03      | 2024/06      | Change     | Details  |
|-----------------------------------|--------------|--------------|------------|--|
| Total Current Assets              | 5,424        | 5,718        | 293        |  |
| (Cash&deposits)                   | 594          | 583          | (10)       |  |
| (Trade account receivable)        | 3,211        | 3,333        | 122        |  |
| (Inventories)                     | 1,479        | 1,595        | 116        |  |
| Total non-current assets          | 2,498        | 2,583        | 85         |  |
| (Investments in security)         | 762          | 790          | 28         |  |
| <b>Total assets</b>               | <b>7,923</b> | <b>8,302</b> | <b>379</b> |  |
| Current Liab.                     | 3,026        | 3,184        | 157        | Short-term loans•CP +98,<br>Provision for Bonus (34) |
| (Trade account payable)           | 1,563        | 1,660        | 96         |  |
| Non-current Liab.                 | 883          | 969          | 86         | Non-Current Loan Pay. +74                            |
| <b>Total Liab.</b>                | <b>3,910</b> | <b>4,154</b> | <b>244</b> |  |
| Shareholders' equity              | 3,128        | 3,123        | (5)        |  |
| Accum. Other Comprehensive Income | 812          | 946          | 133        | Translation Adjustment +124                          |
| Non-controlling interest          | 72           | 78           | 6          |  |
| <b>Total net assets</b>           | <b>4,013</b> | <b>4,148</b> | <b>134</b> |  |
| Working capital                   | 3,127        | 3,269        | 141        |  |
| Shareholders' equity ratio        | 49.7%        | 49.0%        | (0.7ppt)   |  |
| Interest-bearing debt             | 1,669        | 1,827        | 158        |  |
| NET D/E ratio                     | 0.27         | 0.31         | 0.03       |  |

# Consolidated Cash Flows

► Profit attributable to owners of the parent increased due to strong business performance; however, working capital also increased, resulting in a ¥3.0 billion outflow in CF from operations

100 millions of yen

|  | FY2023 1Q | FY2024 1Q |
|--|-----------|-----------|
| Operating CF   | 158       | (30)      |
| (Income before income taxes)                         | 64        | 107       |
| (Depreciation and amortization)                      | 39        | 44        |
| (Change in working capital)                          | 153       | (45)      |
| (Other)  | (97)      | (137)     |
| Investing CF   | (40)      | (82)      |
| (Fixed asset investment)                             | (40)      | (41)      |
| (Other)  | 0         | (40)      |
| Free CF  | 118       | (112)     |
| Financing CF   | (136)     | 33        |
| (Share buybacks)                                     | (32)      | (33)      |
| (Dividends paid)                                     | (46)      | (45)      |
| (Change in loans and bonds)                          | (55)      | 115       |
| (Other)  | (1)       | (2)       |
| Effects of exchange rate                             | 33        | 40        |
| Net increase / decrease in cash and cash equivalents | 16        | (38)      |

# FY2024 Earnings Projection (No Change)

- ▶ We expect to increase manufacturing earnings in our semiconductor-related and food-related businesses
  - ▶ We expect trading business resin sales to recover, while the automobile-related business should also see firm performance
  - ▶ We expect selling, general and administrative expenses to increase overall with business growth, and other factors, even though the amortization expense of retirement benefit actuarial differences will decrease
- (Retirement benefit actuarial differences: Approximately ¥0.9 billion expense in fiscal 2023 and approximately ¥3.5 billion income in fiscal 2024)

|  | FY2023<br>Results | FY2024<br>Forecast | Change | Vs.PY      |
|--|-------------------|--------------------|--------|------------|
| <b>Sales</b>                                       | 9,001             | 9,400              | 398    | 104%       |
| <b>Gross profit</b>                                | 1,647             | 1,800              | 152    | 109%       |
| <b>&lt;Profit Ratio&gt;</b>                        | 18.3%             | 19.1%              | 0.8ppt | -          |
| <b>SG&amp;A expenses</b>                           | 1,341             | 1,435              | 93     | 107%       |
| <b>Operating income</b>                            | 306               | 365                | 58     | 119%       |
| <b>&lt;Profit Ratio&gt;</b>                        | 3.4%              | 3.9%               | 0.5ppt | -          |
| <b>Ordinary income</b>                             | 305               | 352                | 46     | 115%       |
| <b>Profit attributable to owners of the parent</b> | 224               | 280                | 55     | 125%       |
| US\$ Exchange rate (period average)                | @ 144.6           | @ 148.0            | @ 3.4  | Weak yen   |
| RMB Exchange rate (period average)                 | @ 20.1            | @ 20.0             | @ 0.1  | Strong yen |

# FY2024 Earnings Projection By segment (No Change)

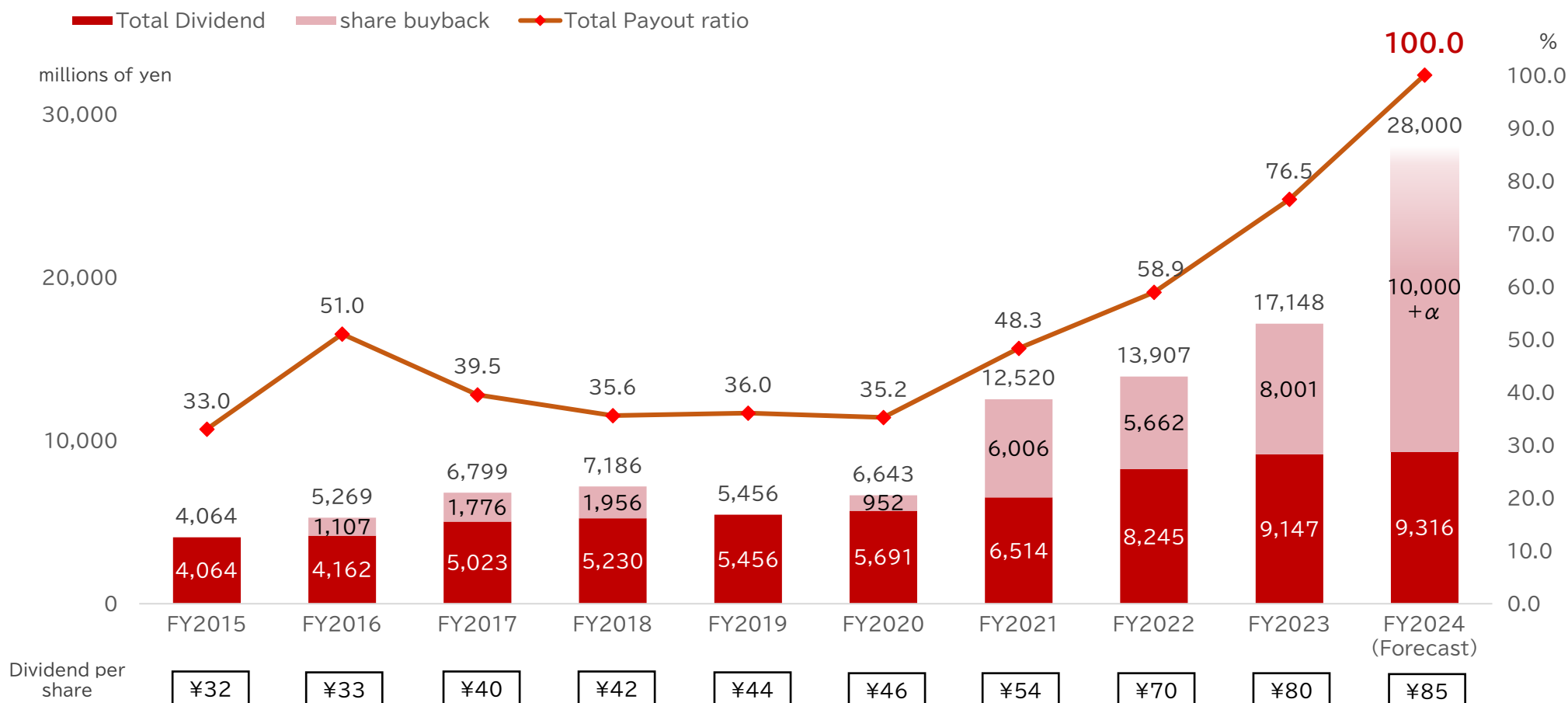
- ▶ Higher sales and profit in Functional Materials recorded, mainly due to increased automobile-related sales and narrower losses in the color formers business
- ▶ Higher sales and profit in Advanced Materials & Processing, mainly due to increased sales of resin for office equipment applications in the electric and electronic industries
- ▶ Higher sales and lower profit in Electronics & Energy, as we expect sales to increase with stronger performance at Nagase ChemteX for formulated epoxy resins used in high-end servers; despite expected higher gross profit, operating income will likely decrease due to higher allocation of company-wide shared expenses
- ▶ Higher sales and lower profit in Mobility as we expect stronger performance in resins, functional materials, and functional components; despite expected higher gross profit, operating income will likely decrease due to higher allocation of company-wide shared expenses
- ▶ Life & Healthcare sales and profit increased, mainly due to a recovery in Prinova Group food-ingredient profitability, which recovered from a market low point, and increased food product and cosmetic material sales at Nagase Viita

|                                    |                  | 100 millions of yen |                    |          |       |
|------------------------------------|------------------|---------------------|--------------------|----------|-------|
|                                    |                  | FY2023<br>Actual    | FY2024<br>forecast | Change   | Vs.PY |
| Functional Materials               | Sales            | 1,468               | 1,550              | 81       | 106%  |
|                                    | Gross profit     | 281                 | 306                | 24       | 109%  |
|                                    | <profit ratio>   | 19.2%               | 19.7%              | 0.6ppt   | —     |
|                                    | Operating income | 61                  | 68                 | 6        | 110%  |
|                                    | <profit ratio>   | 4.2%                | 4.4%               | 0.2ppt   | —     |
| Advanced Materials<br>& Processing | Sales            | 1,985               | 2,072              | 86       | 104%  |
|                                    | Gross profit     | 236                 | 248                | 11       | 105%  |
|                                    | <profit ratio>   | 11.9%               | 12.0%              | 0.1ppt   | —     |
|                                    | Operating income | 53                  | 55                 | 1        | 104%  |
|                                    | <profit ratio>   | 2.7%                | 2.7%               | (0.0ppt) | —     |
| Electronics<br>& Energy            | Sales            | 1,447               | 1,493              | 45       | 103%  |
|                                    | Gross profit     | 342                 | 377                | 34       | 110%  |
|                                    | <profit ratio>   | 23.6%               | 25.3%              | 1.6ppt   | —     |
|                                    | Operating income | 88                  | 86                 | (2)      | 97%   |
|                                    | <profit ratio>   | 6.1%                | 5.8%               | (0.4ppt) | —     |
| Mobility                           | Sales            | 1,321               | 1,387              | 65       | 105%  |
|                                    | Gross profit     | 152                 | 160                | 7        | 105%  |
|                                    | <profit ratio>   | 11.5%               | 11.5%              | 0.0ppt   | —     |
|                                    | Operating income | 36                  | 32                 | (4)      | 89%   |
|                                    | <profit ratio>   | 2.7%                | 2.3%               | (0.4ppt) | —     |
| Life & Healthcare                  | Sales            | 2,777               | 2,897              | 119      | 104%  |
|                                    | Gross profit     | 634                 | 710                | 75       | 112%  |
|                                    | <profit ratio>   | 22.8%               | 24.5%              | 1.7ppt   | —     |
|                                    | Operating income | 80                  | 94                 | 13       | 117%  |
|                                    | <profit ratio>   | 2.9%                | 3.2%               | 0.4ppt   | —     |
| Corporate&Others                   | Sales            | 1                   | 1                  | (0)      | 68%   |
|                                    | Gross profit     | 0                   | (1)                | (1)      | —     |
|                                    | Operating income | (13)                | 30                 | 43       | —     |
| Total                              | Sales            | 9,001               | 9,400              | 398      | 104%  |
|                                    | Gross profit     | 1,647               | 1,800              | 152      | 109%  |
|                                    | <profit ratio>   | 18.3%               | 19.1%              | 0.8ppt   | —     |
|                                    | Operating income | 306                 | 365                | 58       | 119%  |
|                                    | <profit ratio>   | 3.4%                | 3.9%               | 0.5ppt   | —     |



# Shareholder Returns

- ▶ We plan to pay an interim dividend of ¥40 per share and a year-end dividend of ¥45 per share for an annual dividend of ¥85 per share for fiscal 2024 (expected 15th consecutive fiscal year of dividend increases)
- ▶ We changed our policy for shareholder returns compared under **ACE 2.0** in May 2024, establishing a **total return ratio of 100%** for FY2024 and FY2025 (no change in policy regarding continuing dividend increases)
- ▶ Based on the policy above, the ¥10 billion in share buybacks approved in May 2024 is progressing as planned; total of ¥3.3 billion in share buybacks as of June 30  
(Purchase period: Scheduled for May 2024 to October 2024) \*Additional returns after November will be approved under a separate resolution



※ FY2024 year-end dividend to be submitted for approval to the 110th general meeting of shareholders scheduled for June 2025.

# Notice: Relocation of Nagoya Branch Office

- ▶ Nagoya Branch moved to new location and started operations on July 16, 2024
- ▶ As with the Tokyo Head Office, this new office is an activity based workplace (ABW), fostering an environment that encourages diverse and creative work styles

## About the New Nagoya Office

Former Nagoya Branch



Former Nagoya Branch Address

3-14-18, Marunouchi, Naka-ku, Nagoya City, Aichi Prefecture 460-8540, Japan

<Tenant Building>  
Dai Nagoya Building

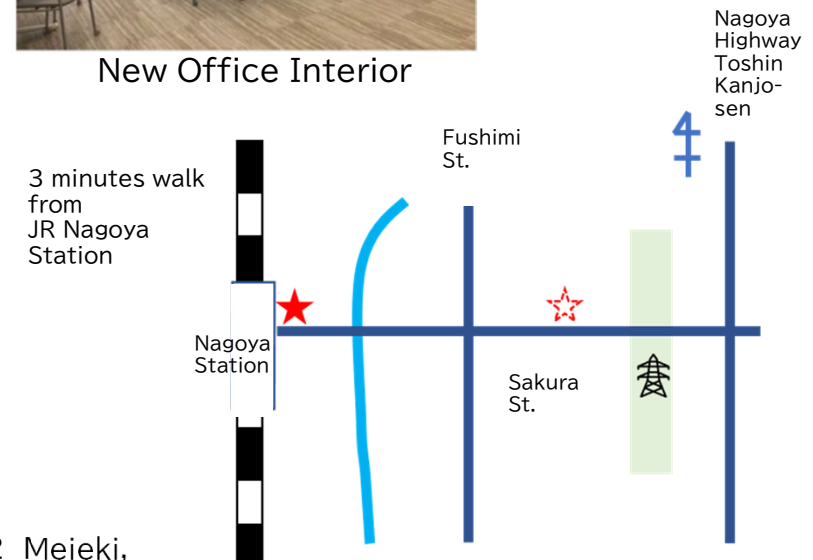


New Address

Dai Nagoya Building 30F, 3-28-12 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture 450-6430, Japan



New Office Interior





■Inquiries:

<https://www.nagase.co.jp/english/contact/ir/>

■NAGASE Group Investor Relations Website:

<https://www.nagase.co.jp/english/ir/>

These presentation materials contain projections based on forward-looking assumptions, forecasts, and plans as of August 5, 2024. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

# Sales, Gross Profit, and Operating Income by Quarter

## (Before Allocation of Corporate & Others)

- ▶ In FY2024, the Company began allocating company-wide shared expenses, excluding a portion of Nagase non-consolidated expenses, to business units under Corporate & Others
- ▶ We are allocating company-wide shared expenses, shifting to a system that enables a more realistic understanding of the profitability of each business unit
- ▶ For reference, this page shows quarterly changes before allocations to Corporate & Others

100 millions of yen

| Quarterly results |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   | FY2024 forecast | FY2023 Actual |
|-------------------|--------|-------|-------|-------|-------|-------|-----------------|---------------|
|                   |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   |                 |               |
| Total             |        |       |       |       |       |       |                 |               |
| Sales             | FY2024 | 2,392 |       |       |       | 2,392 | 9,400           |               |
|                   | FY2023 | 2,240 | 2,261 | 2,275 | 2,224 | 2,240 | 9,001           |               |
|                   | YoY%   | 6.8%  |       |       |       | 6.8%  | 4.4%            |               |
| Gross profit      | FY2024 | 457   |       |       |       | 457   | 1,800           |               |
|                   | FY2023 | 387   | 401   | 425   | 432   | 387   | 1,647           |               |
|                   | YoY%   | 18.3% |       |       |       | 18.3% | 9.3%            |               |
| <profit ratio>    | FY2024 | 19.1% |       |       |       | 19.1% | 19.1%           |               |
|                   | FY2023 | 17.3% | 17.8% | 18.7% | 19.4% | 17.3% | 18.3%           |               |
| Operating income  | FY2024 | 107   |       |       |       | 107   | 365             |               |
|                   | FY2023 | 69    | 75    | 85    | 75    | 69    | 306             |               |
|                   | YoY%   | 54.3% |       |       |       | 54.3% | 19.2%           |               |
| <profit ratio>    | FY2024 | 4.5%  |       |       |       | 4.5%  | 3.9%            |               |
|                   | FY2023 | 3.1%  | 3.3%  | 3.8%  | 3.4%  | 3.1%  | 3.4%            |               |

100 millions of yen

| Quarterly results  |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   | FY2024 forecast | FY2023 Actual |
|--|--------|-------|-------|-------|-------|-------|-----------------|---------------|
|  |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   |                 |               |
| Advanced Materials & Processing (Polymer Global Account Dept.) |        |       |       |       |       |       |                 |               |
| Sales  | FY2024 | 535   |       |       |       | 535   | 2,072           |               |
|  | FY2023 | 485   | 536   | 477   | 485   | 485   | 1,985           |               |
|  | YoY%   | 10.2% |       |       |       | 10.2% | 4.4%            |               |
| Gross profit   | FY2024 | 65    |       |       |       | 65    | 248             |               |
|  | FY2023 | 54    | 61    | 61    | 57    | 54    | 236             |               |
|  | YoY%   | 20.1% |       |       |       | 20.1% | 5.0%            |               |
| <profit ratio>   | FY2024 | 12.3% |       |       |       | 12.3% | 12.0%           |               |
|  | FY2023 | 11.3% | 11.5% | 13.0% | 11.9% | 11.3% | 11.9%           |               |
| Operating income   | FY2024 | 20    |       |       |       | 20    | 77              |               |
|  | FY2023 | 13    | 19    | 20    | 15    | 13    | 68              |               |
|  | YoY%   | 50.2% |       |       |       | 50.2% | 13.2%           |               |
| <profit ratio>   | FY2024 | 3.8%  |       |       |       | 3.8%  | 3.7%            |               |
|  | FY2023 | 2.8%  | 3.6%  | 4.2%  | 3.1%  | 2.8%  | 3.4%            |               |

100 millions of yen

| Quarterly results                   |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   | FY2024 forecast | FY2023 Actual |
|-------------------------------------|--------|-------|-------|-------|-------|-------|-----------------|---------------|
|                                     |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   |                 |               |
| Mobility (Mobility Solutions Dept.) |        |       |       |       |       |       |                 |               |
| Sales                               | FY2024 | 321   |       |       |       | 321   | 1,387           |               |
|                                     | FY2023 | 311   | 337   | 353   | 319   | 311   | 1,321           |               |
|                                     | YoY%   | 3.1%  |       |       |       | 3.1%  | 5.0%            |               |
| Gross profit                        | FY2024 | 40    |       |       |       | 40    | 160             |               |
|                                     | FY2023 | 34    | 39    | 41    | 37    | 34    | 152             |               |
|                                     | YoY%   | 17.8% |       |       |       | 17.8% | 5.0%            |               |
| <profit ratio>                      | FY2024 | 12.5% |       |       |       | 12.5% | 11.5%           |               |
|                                     | FY2023 | 11.0% | 11.8% | 11.7% | 11.6% | 11.0% | 11.5%           |               |
| Operating income                    | FY2024 | 13    |       |       |       | 13    | 51              |               |
|                                     | FY2023 | 9     | 13    | 14    | 10    | 9     | 49              |               |
|                                     | YoY%   | 44.6% |       |       |       | 44.6% | 3.4%            |               |
| <profit ratio>                      | FY2024 | 4.3%  |       |       |       | 4.3%  | 3.7%            |               |
|                                     | FY2023 | 3.0%  | 4.1%  | 4.2%  | 3.4%  | 3.0%  | 3.7%            |               |

100 millions of yen

| Quarterly results  |        | 1Q     | 2Q    | 3Q    | 4Q    | YTD    | FY2024 forecast | FY2023 Actual |
|--|--------|--------|-------|-------|-------|--------|-----------------|---------------|
|  |        | 1Q     | 2Q    | 3Q    | 4Q    | YTD    |                 |               |
| Functional Materials (Performance Chemicals Dept., Speciality Chemicals Dept.) |        |        |       |       |       |        |                 |               |
| Sales  | FY2024 | 405    |       |       |       | 405    | 1,550           |               |
|  | FY2023 | 364    | 357   | 375   | 370   | 364    | 1,468           |               |
|  | YoY%   | 11.4%  |       |       |       | 11.4%  | 5.6%            |               |
| Gross profit   | FY2024 | 88     |       |       |       | 88     | 306             |               |
|  | FY2023 | 64     | 68    | 73    | 75    | 64     | 281             |               |
|  | YoY%   | 37.8%  |       |       |       | 37.8%  | 8.8%            |               |
| <profit ratio>   | FY2024 | 21.8%  |       |       |       | 21.8%  | 19.7%           |               |
|  | FY2023 | 17.6%  | 19.1% | 19.5% | 20.4% | 17.6%  | 19.2%           |               |
| Operating income   | FY2024 | 37     |       |       |       | 37     | 105             |               |
|  | FY2023 | 15     | 21    | 25    | 24    | 15     | 86              |               |
|  | YoY%   | 140.7% |       |       |       | 140.7% | 21.7%           |               |
| <profit ratio>   | FY2024 | 9.1%   |       |       |       | 9.1%   | 6.8%            |               |
|  | FY2023 | 4.2%   | 6.0%  | 6.7%  | 6.6%  | 4.2%   | 5.9%            |               |

100 millions of yen

| Quarterly results   |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   | FY2024 forecast | FY2023 Actual |
|---|--------|-------|-------|-------|-------|-------|-----------------|---------------|
|   |        | 1Q    | 2Q    | 3Q    | 4Q    | YTD   |                 |               |
| Electronics & Energy (Electronics Dept., Advanced Functional Materials Dept.) |        |       |       |       |       |       |                 |               |
| Sales   | FY2024 | 400   |       |       |       | 400   | 1,493           |               |
|   | FY2023 | 355   | 356   | 375   | 360   | 355   | 1,447           |               |
|   | YoY%   | 12.8% |       |       |       | 12.8% | 3.1%            |               |
| Gross profit  | FY2024 | 95    |       |       |       | 95    | 377             |               |
|   | FY2023 | 77    | 86    | 85    | 92    | 77    | 342             |               |
|   | YoY%   | 23.7% |       |       |       | 23.7% | 10.1%           |               |
| <profit ratio>  | FY2024 | 23.8% |       |       |       | 23.8% | 25.3%           |               |
|   | FY2023 | 21.7% | 24.2% | 22.9% | 25.8% | 21.7% | 23.6%           |               |
| Operating income  | FY2024 | 34    |       |       |       | 34    | 124             |               |
|   | FY2023 | 23    | 31    | 27    | 31    | 23    | 113             |               |
|   | YoY%   | 50.6% |       |       |       | 50.6% | 9.5%            |               |
| <profit ratio>  | FY2024 | 8.7%  |       |       |       | 8.7%  | 8.3%            |               |
|   | FY2023 | 6.5%  | 8.7%  | 7.3%  | 8.8%  | 6.5%  | 7.8%            |               |

100 millions of yen

| Quarterly results                                    |        | 1Q      | 2Q    | 3Q    | 4Q    | YTD     | FY2024 forecast | FY2023 Actual |
|--|--------|---------|-------|-------|-------|---------|-----------------|---------------|
|  |        | 1Q      | 2Q    | 3Q    | 4Q    | YTD     |                 |               |
| Life & Healthcare (Life & Healthcare Products Dept.) |        |         |       |       |       |         |                 |               |
| Sales  | FY2024 | 728     |       |       |       | 728     | 2,897           |               |
|  | FY2023 | 723     | 673   | 693   | 687   | 723     | 2,777           |               |
|  | YoY%   | 0.7%    |       |       |       | 0.7%    | 4.3%            |               |
| Gross profit   | FY2024 | 168     |       |       |       | 168     | 710             |               |
|  | FY2023 | 156     | 145   | 163   | 168   | 156     | 634             |               |
|  | YoY%   | 8.0%    |       |       |       | 8.0%    | 11.9%           |               |
| <profit ratio>                                       | FY2024 | 23.2%   |       |       |       | 23.2%   | 24.5%           |               |
|  | FY2023 | 21.6%   | 21.6% | 23.6% | 24.5% | 21.6%   | 22.8%           |               |
| Operating income                                     | FY2024 | 21      |       |       |       | 21      | 125             |               |
|  | FY2023 | 32      | 19    | 24    | 26    | 32      | 103             |               |
|  | YoY%   | (34.8%) |       |       |       | (34.8%) | 21.1%           |               |
| <profit ratio>                                       | FY2024 | 2.9%    |       |       |       | 2.9%    | 4.3%            |               |
|  | FY2023 | 4.5%    | 2.9%  | 3.6%  | 3.9%  | 4.5%    | 3.7%            |               |





















\*Allocations of each expense to seven business units according to one or more of the following criteria

- (1) Equal allocation to each division
- (2) Allocation according to business scale (sales and gross profit)

# Review: :Business Environment by Segment

— From the FY2023 Financial Briefing —



| Industry       | FY2023 Trends  |  | FY2024 Trends  |   | Segment                         |
|----------------|--|--|--|---|---------------------------------|
| Coatings       | Gradual recovery in automotive applications, but sluggish construction-related applications  |    | Automotive applications to remain strong, but generally flat overall   |    | Functional Materials            |
| Color Formers  | Demand remained weak and market conditions declined further  |    | Oversupply to continue while market conditions remain sluggish   |    |                                 |
| Semiconductors | High-end applications performed well despite slow market recovery  |    | Moderate recovery, full-scale recovery in the second half of the fiscal year, with sales of high-end applications to continue strong |    |                                 |
| Display        | Sluggish shipments of smartphones, etc., throughout the fiscal year  |    | Demand to recover year on year   |    | Electronics & Energy            |
| Smartphones    | Sluggish shipments throughout the year   |    | Expected growth year on year   |    |                                 |
| OA and Games   | Resin market conditions declined due to sluggish global demand   |    | Overall demand and resin market conditions to make a moderate recovery   |    | Advanced Materials & Processing |
| Automobiles    | The Japanese automotive-related industry in China was sluggish, while sales in Japan were steady due to a recovery in the semiconductor shortage |   | Moderate recovery in automobile production to continue   |   | Mobility                        |
| Medical        | Sluggish overall industry performance  |  | Demand to increase while sales of raw materials decrease due to patent expiration of brand-name drugs, etc.                          |  | Life & Healthcare               |
| Cosmetics      | Demand increased due to the end of the COVID-19 pandemic   |  | Overall demand to continue to recover  |  |                                 |
| Food           | Demand began recovering in the second half of the year, despite lower demand in the U.S. market and weak market conditions                       |  | Demand in the U.S. market to continue to recover   |  |                                 |

\*Based on the business environment of the Nagase Group, excluding one-time losses, etc. (Forecasts may not be consistent with general industry trends)