

NAGASE



**FYE March 2016
Second Quarter
Financial Highlights**

Nov 4, 2015

NAGASE & CO., LTD.



NAGASE



Contents

Consolidated Statements of Income	2
Net Sales by Region (Domestic, Overseas)	3
Net Sales: Two-Year Comparison (by Segment)	4
Operating income: Two-Year Comparison (by Segment)	5
Consolidated Balance Sheets	6
Consolidated Cash Flows	7

- **Net sales:** Higher revenues, driven mainly by overseas subsidiaries
- **Operating income:** Higher profits due to higher revenues and recording of allowance for doubtful accounts during the prior fiscal year at a Taiwanese subsidiary
- **Profit attributable to owners of the parent:** Lower profit due to higher tax expenses

(100 millions of yen)

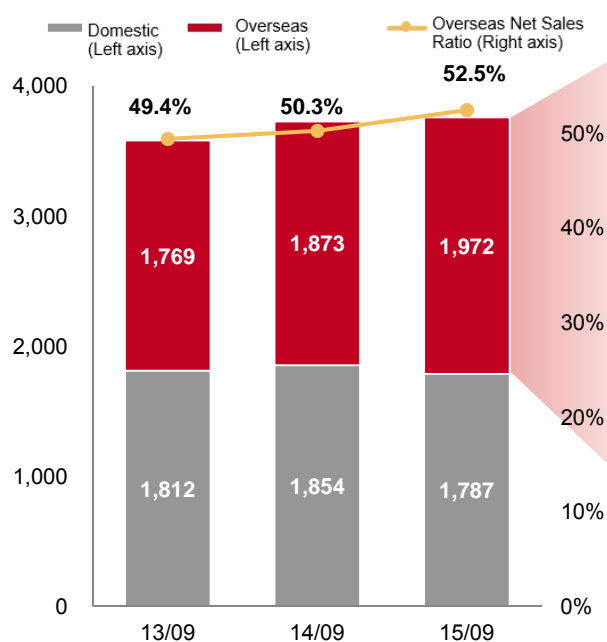
	14/09	15/09	Change	Vs. PY	Published Forecast
Net sales	3,727	3,760	+32	101%	8,230
Gross profit	444	464	+19	104%	973
<GP ratio>	11.9%	12.3%	+0.4%	—	11.8%
SG&A expenses	364	363	-1	100%	778
Operating income	79	100	+20	126%	195
Ordinary income	91	101	+10	112%	206
Profit attributable to owners of the parent	66	65	-1	98%	121
US\$ Exchange rate (period average)	¥103.0	¥121.8	@¥18.8 devaluation		@¥120

(Per-yen exchange rate impact on net sales and operating profit)

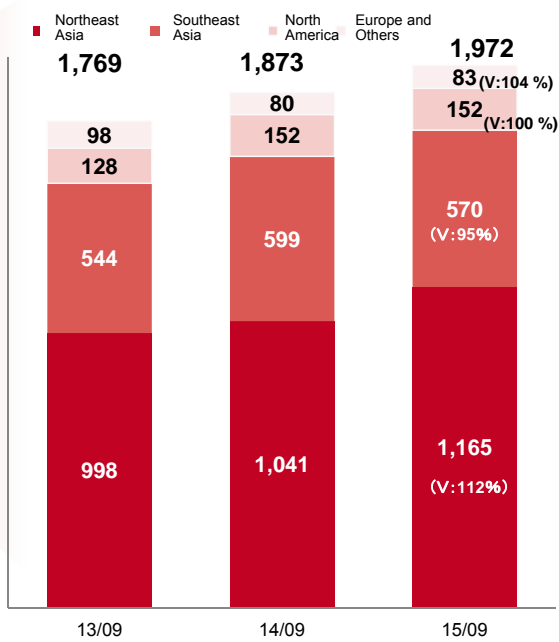
	Impact of dollar/yen rate	Impact on 15/09 Actual
Net sales	¥1.4 billion (approx.)	+¥27.0 billion (approx.)
Operating income	¥50 million (approx.)	+¥1.0 billion (approx.)

- **Continuing trend from PY of growth in ratio of overseas sales to total net sales (greater than 50%)**

Domestic & Overseas Sales (100 millions of yen, %)



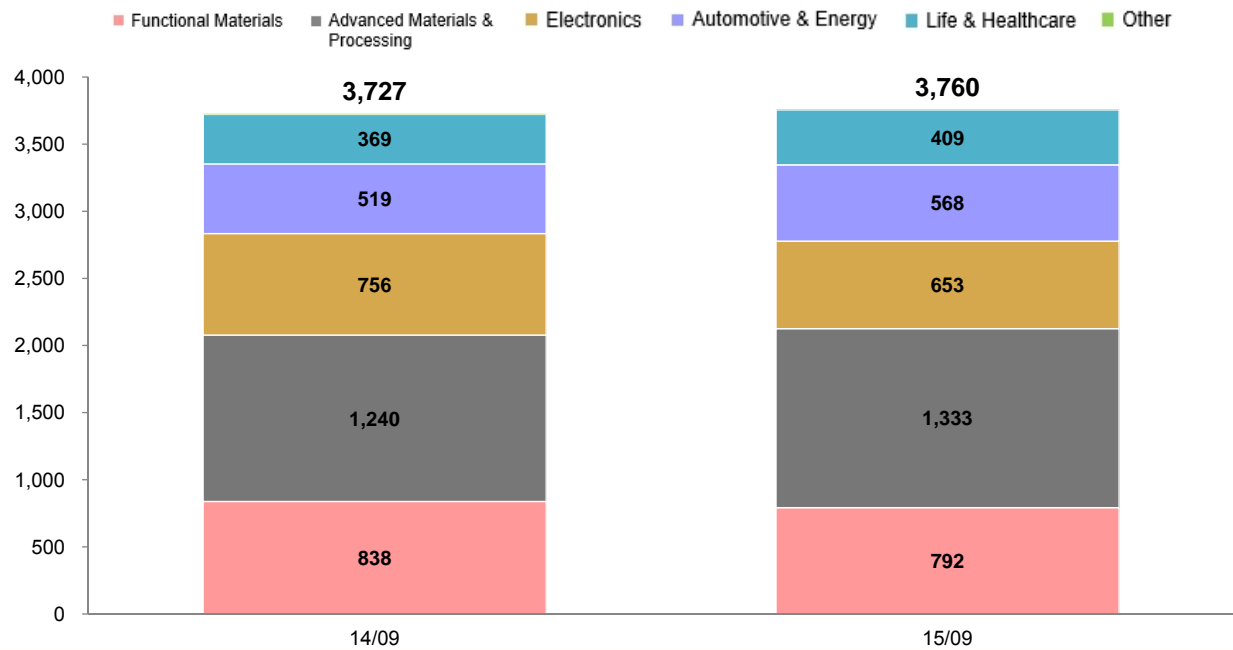
Overseas Sales by Region (100 millions of yen)



V: Vs. Same Period in Prior Fiscal Year

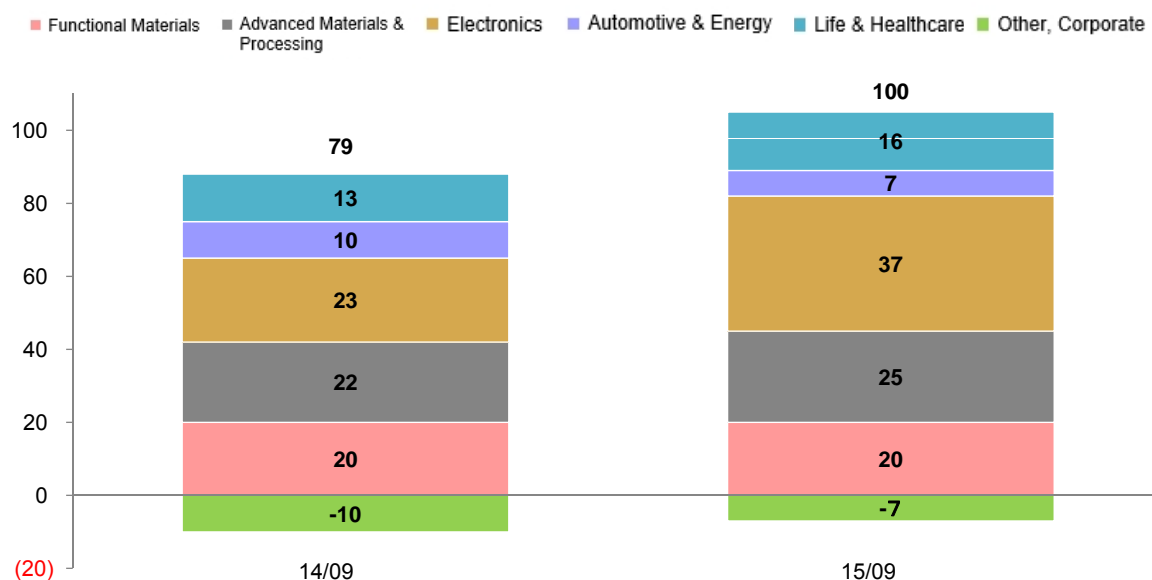
- **Advanced Materials & Processing:** Strong overseas sales of plastics to the office equipment and appliances markets
- **Life & Healthcare:** Strong sales of TREHA™ and other products in Japan and overseas
- **Electronics:** Lower sales of liquid crystal-related components

Net Sales by Segment (100 millions of yen)



- **Electronics:** Higher profits due to recording of allowance for doubtful accounts during the prior fiscal year at a Taiwanese subsidiary
- **Advanced Materials & Processing:** Higher overseas revenues lead to higher profits
- **Automotive & Energy:** Lower profits due to costs related to launching new domestic business

Operating Income by Segment (100 millions of yen)



■ Shareholders' equity ratio up 0.3 points to 51.8% (vs. 51.5% at end of prior year)

Assets				Liabilities and Net Assets (100 millions of yen)			
	15/03	15/09	Change		15/03	15/09	Change
Total current assets	3,298	3,290	-7	Total current liabilities	1,764	1,615	-148
Cash and time deposits	405	434	+28	Notes and accounts payable	1,057	1,014	-43
Notes and accounts receivable	2,082	2,075	-6	Short-term loans (Including current portion of long-term loans)	377	380	+3
Inventories	690	655	-34	Current portion of bonds	100	—	-100
Other current assets	120	124	+4	Other current liabilities	229	220	-8
Total non-current assets	2,166	2,030	-136	Total long-term liabilities	826	891	+65
Property, plant and equipment	667	670	+2	Long-term loans	303	307	+4
Intangible fixed assets	488	470	-17	Bonds	200	300	+100
Investments, other assets	1,010	889	-121	Net defined benefit liability	108	108	+0
Investments in securities	926	808	-118	Other (Deferred tax liabilities, etc.)	214	175	-39
Other fixed assets	84	81	-2	Total liabilities	2,590	2,507	-82
				Total net assets	2,875	2,814	-60
				Shareholders' equity	2,263	2,309	+45
				Accumulated other comprehensive income	550	447	-103
				Net unrealized holding gain on securities	449	369	-79
				Translation adjustment	94	74	-20
				Others	6	3	-3
				Non-controlling interests	61	57	-3
Total assets	5,465	5,321	-143	Total liabilities and net assets	5,465	5,321	-143

■ Increase in cash and cash equivalents of ¥2.8 billion. Investment outlays for property, plant and equipment and financial outlays for dividend payments were more than offset by a gain of ¥9.4 billion in cash provided by operating activities.


Cash Flows (100 millions of yen)

	15/09	Main breakdown	14/09
Net cash provided by (used in) operating activities	+94	Income before income taxes +98 Depreciation and amortization/amortization of goodwill +55 Working capital -11 Corporate tax, etc. -22	+9
Net cash provided by (used in) investing activities	-53	Purchases of property, plant and equipment -40 Purchases of intangible fixed assets -6 Purchases of investments securities -3 Purchases of investments -3	-27
Net cash provided by (used in) financing activities	-8	Payments for redemption of bonds -100 Proceeds from issuance of bonds +99 Payments of dividends -19 Proceeds from long-term loans +14	-3
Exchange gains related to cash and cash equivalents	-3		+8
Net increase (decrease) in cash and cash equivalents	+28		-12
Cash and cash equivalents at beginning of the year	405		338
Impact of other changes (Changes accompanying new consolidation or change in fiscal year)	—		+0
Cash and cash equivalents at end of the year	433	Japan 292 Greater China 85 ASEAN 32 Europe 17 North America 6	325

NAGASE & CO., LTD.

<http://www.nagase.co.jp>

Statements concerning earnings projections and other forecasts contained in these statements included forward-looking forecasts based on assumptions, forecasts, and plans available as of the date of this publication. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

A decorative horizontal bar at the bottom of the page, composed of two segments: a red segment on the left and a dark grey segment on the right.