

NAGASE



**FYE March 2016
Third Quarter
Financial Highlights**

Feb 2, 2016

NAGASE & CO., LTD.



NAGASE



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- **Net sales:** Higher net sales in Life & Healthcare and Advanced Materials & Processing segments; however, lower net sales overall due to slow sales in the Electronics segment.
- **Operating income:** Higher profits this period due to recording of allowance for doubtful accounts at a Taiwanese subsidiary during the prior fiscal year.
- **Ordinary income:** Decrease due a loss in equity of affiliates and a downturn in foreign exchange gains.
- **Profit attributable to owners of the parent:** Lower profit due to higher tax expenses

(100 millions of yen)

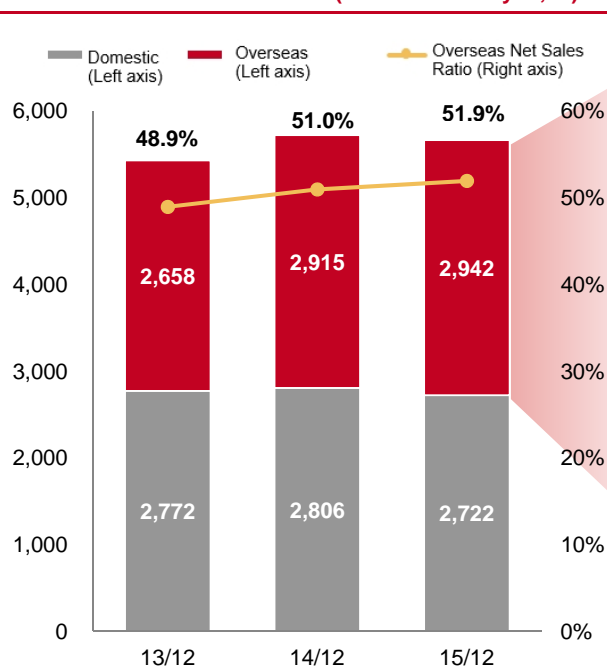
	14/12	15/12	Change	Vs. PY	Published Forecast
Net sales	5,721	5,665	-56	99%	8,230
Gross profit	688	698	+9	101%	973
<GP ratio>	12.0%	12.3%	+0.3%	—	11.8%
SG&A expenses	546	549	+3	101%	778
Operating income	142	148	+5	104%	195
Ordinary income	163	153	-9	94%	206
Profit attributable to owners of the parent	110	95	-15	86%	121
US\$ Exchange rate (period average)	¥106.9	¥121.7	@¥14.8 devaluation		@¥120

(Per-yen exchange rate impact on 15/12 net sales and operating income results)

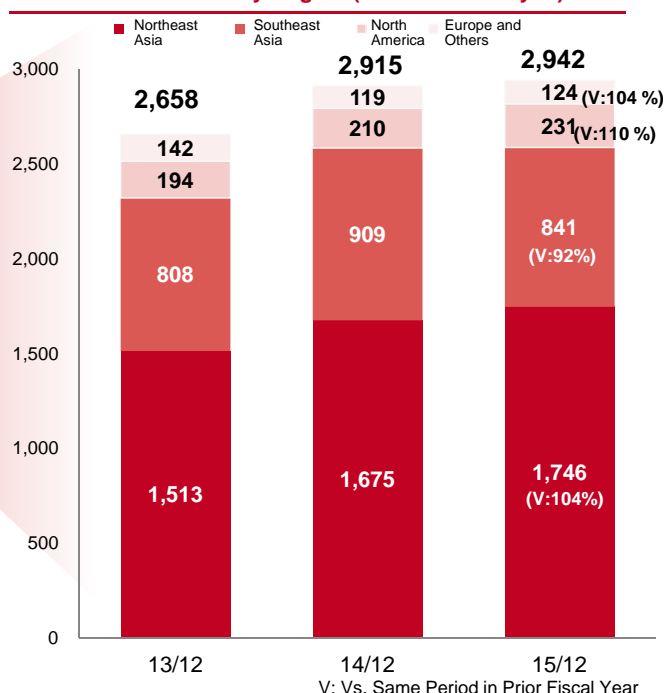
Net sales: +¥29.1 billion (approx.)
 Operating income: +¥900 million (approx.)

- **Continuing increase in Overseas Net Sales Ratio (exceeding 50%)**

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

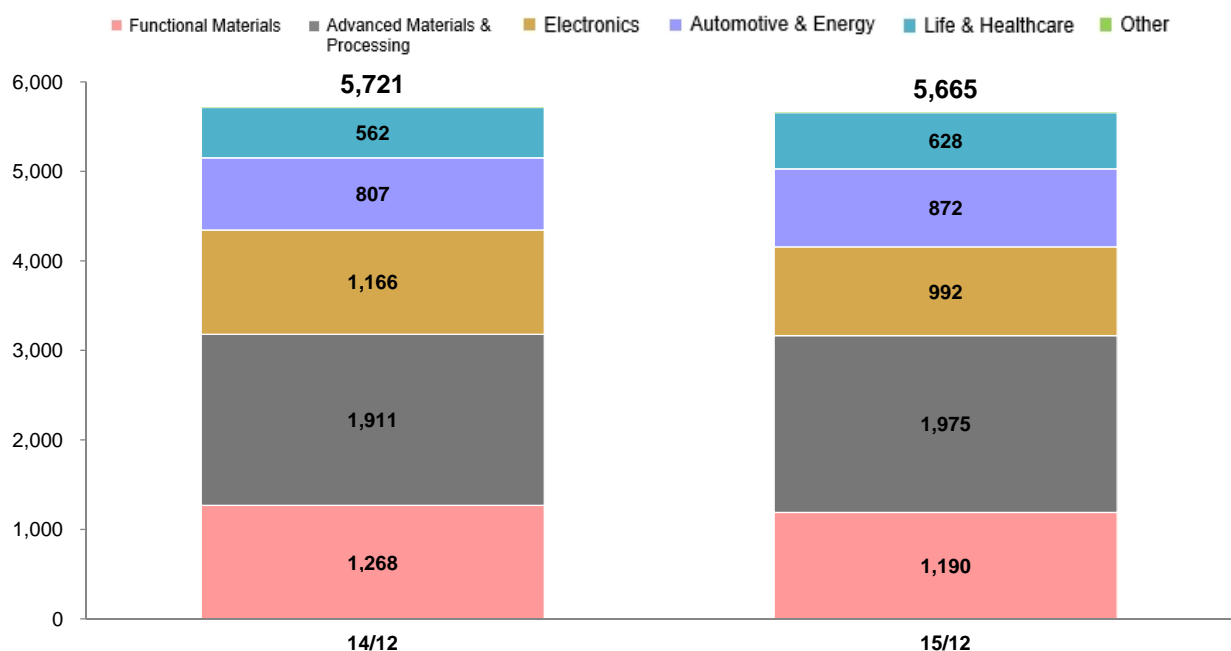


Overseas Sales by Region (100 millions of yen)



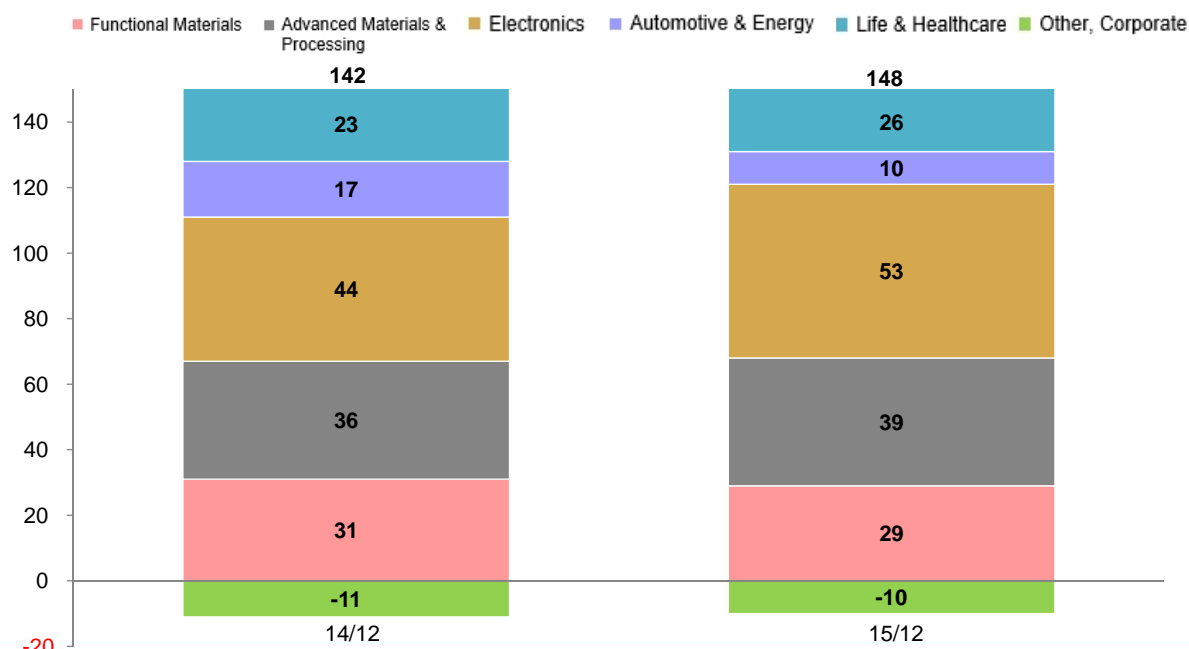
- **Life & Healthcare:** Higher sales of Hayashibara products and raw materials to the skincare and toiletries markets
- **Functional Materials:** Lower sales of coating raw materials, urethane materials, and other products
- **Electronics:** Lower sales of liquid crystal-related products due to slowing growth in the Chinese smartphone market, etc.

Net Sales by Segment (100 millions of yen)



- **Electronics:** Increase due to allowance for doubtful accounts at a Taiwanese subsidiary during the prior fiscal year.
- **Advanced Materials & Processing:** Higher profits from strong sales and manufacturing performances
- **Automotive & Energy:** Lower profits due to expenses related to launching new domestic business

Operating Income by Segment (100 millions of yen)



■ Shareholders' equity ratio down 0.2 points to 51.3% (vs. 51.5% at end of prior year)

Assets				Liabilities and Net Assets (100 millions of yen)			
	15/03	15/12	Change		15/03	15/12	Change
Total current assets	3,298	3,399	+100	Total current liabilities	1,764	1,718	-46
Cash and time deposits	405	449	+43	Notes and accounts payable	1,057	1,119	+62
Notes and accounts receivable	2,082	2,186	+104	Short-term loans (Including current portion of long-term loans)	377	391	+14
Inventories	690	640	-49	Current portion of bonds	100	—	-100
Other current assets	120	122	+2	Other current liabilities	229	206	-22
Total non-current assets	2,166	2,175	+8	Total long-term liabilities	826	941	+115
Property, plant and equipment	667	664	-3	Long-term loans	303	309	+6
Intangible fixed assets	488	467	-21	Bonds	200	300	+100
Investments, other assets	1,010	1,043	+33	Net defined benefit liability	108	109	+1
Investments in securities	926	965	+39	Other (Deferred tax liabilities, etc.)	214	221	+7
Other fixed assets	84	78	-5	Total liabilities	2,590	2,659	+69
				Total net assets	2,875	2,915	+40
				Shareholders' equity	2,263	2,319	+56
				Accumulated other comprehensive income	550	539	-10
				Net unrealized holding gain on securities	449	464	+15
				Translation adjustment	94	73	-21
				Others	6	1	-4
				Non-controlling interests	61	55	-5
Total assets	5,465	5,574	+109	Total liabilities and net assets	5,465	5,574	+109

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<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.