

# **FYE March 2019 Financial Highlights**

**NAGASE & CO., LTD.**  
**May 7, 2019**

## Agenda

Consolidated Statements of Income	3
Net Sales by Region (Domestic, Overseas)	4
Net Sales: Two-Year Comparison (by Segment)	5
Operating Income: Two-Year Comparison (by Segment)	6
Consolidated Balance Sheets	7
Consolidated Cash Flows	8
FYE March 2020 Earnings Projections	9
Dividends	10

# Consolidated Statements of Income



✓ NAGASE recorded record highs for sales and profits

(100 millions of yen)

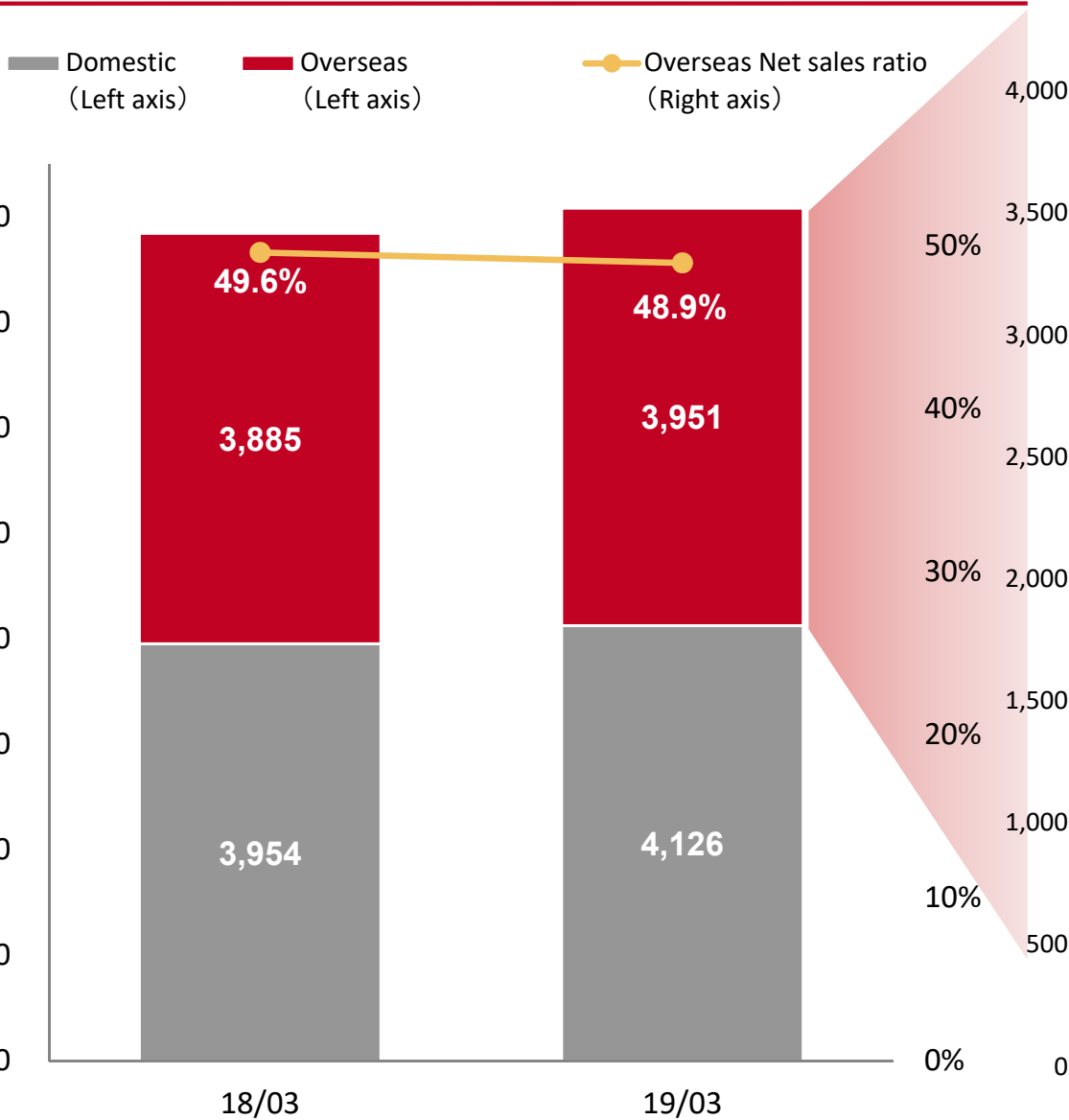
	18/03	19/03	Change	Vs. PY	Orig. Forecast	Achievement
Net sales	7,839	8,077	+ 238	103%	8,280	98%
Gross profit	1,026	1,054	+ 27	103%	1,073	98%
<GP ratio>	13.1%	13.1%	△ 0.0%	—	13.0%	—
SG&A expenses	785	802	+ 16	102%	818	—
Operating income	241	252	+ 11	105%	255	99%
Ordinary income	259	266	+ 6	103%	275	97%
Profit attributable to owners of the parent	171	201	+ 29	117%	186	108%
US\$ Exchange rate (period average)	@ 110.85	@ 110.92	@ 0.07	weak yen	@105	—
RMB Exchange rate (period average)	@ 16.7	@ 16.5	@ 0.2	strong yen	@ 16.5	—

【 Foreign exchange rate impact on 19/03 net sales and operating income results 】  
 Net sales: +¥1.6 billion (approx.);      Operating income: +¥400million

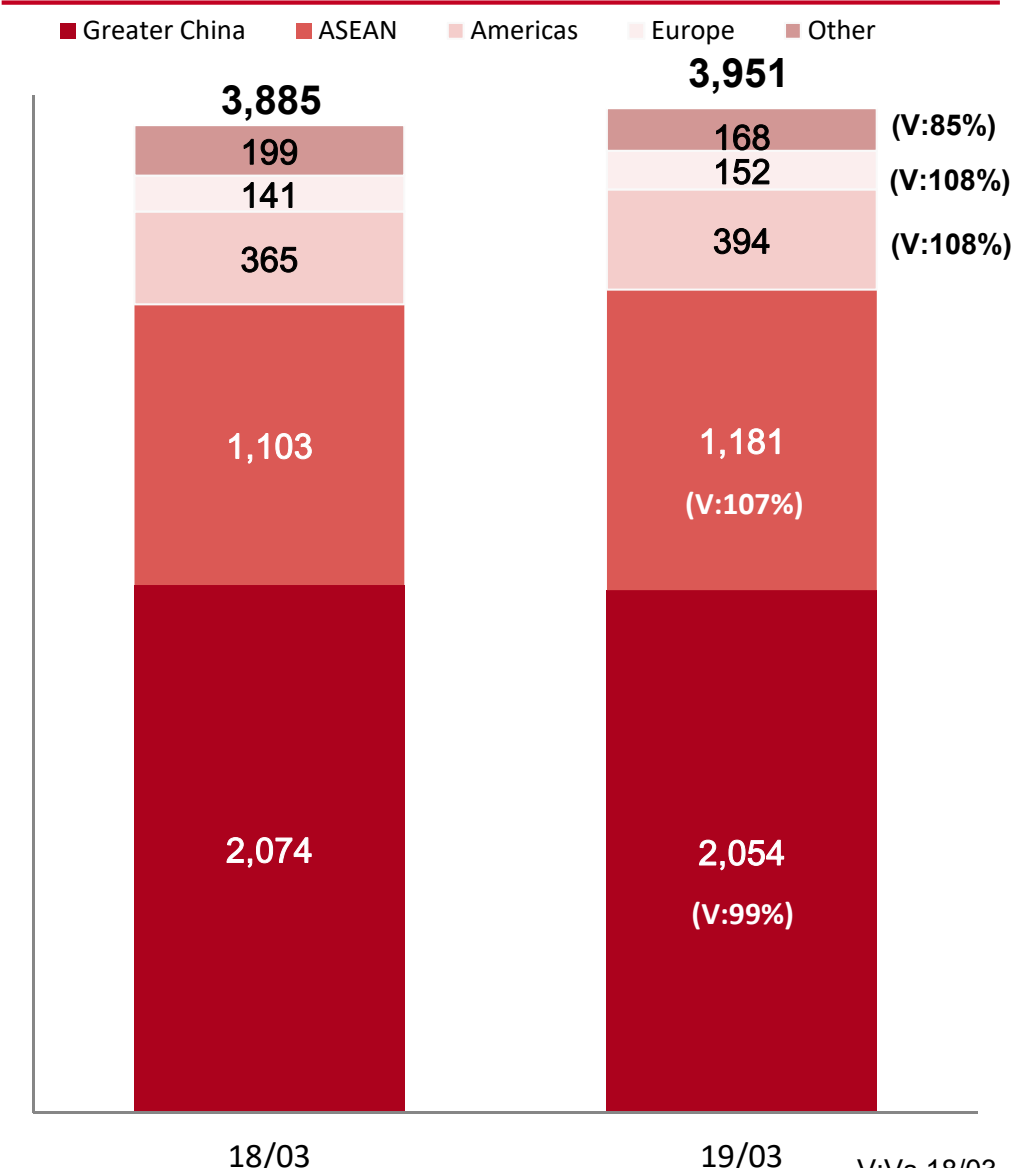
# Net Sales by Region (Domestic, Overseas)

■ In addition to domestic businesses, performance was strong overseas, particularly in ASEAN and the Americas (overseas ratio of total sales at 48.9%)

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



**Overseas Sales by Region (100 millions of yen, %)**



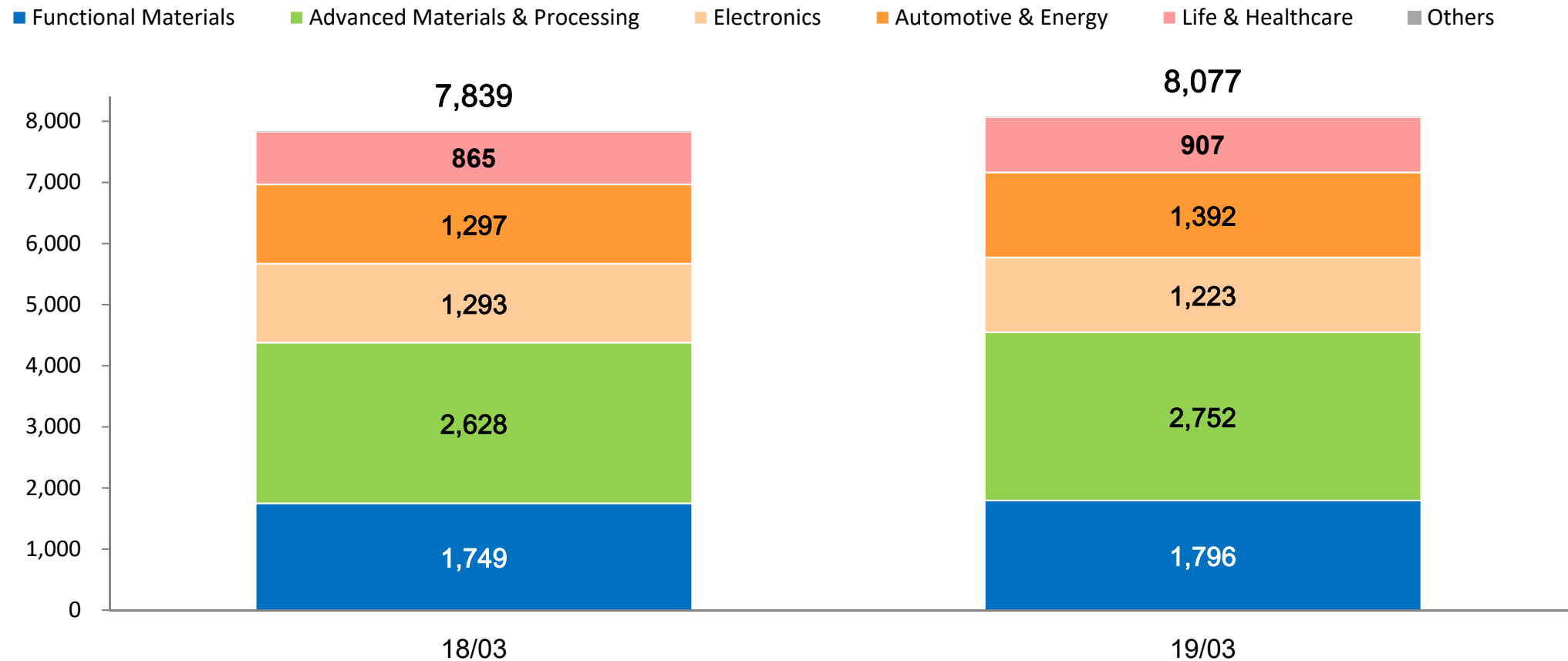
V:Vs 18/03

# Net Sales: Two-Year Comparison (by Segment)

■ **Functional Materials** : Higher sales, driven by (1) increase in sales of coating raw materials and urethane materials, spurred by strong automotive production and naphtha price increases; (2) increased sales of electronics chemicals, etc.; and (3) acquisition of a US-based distributor in the second quarter of the prior consolidated fiscal year.

■ **Advanced Materials & Processing** : Higher sales in Japan and overseas, mainly due to increased sales of plastics and digital print processing materials

## Net Sales by Segment (100 millions of yen)



\*1 The Company reclassified reportable segments in the current fiscal year (certain businesses in the Functional Materials segment reclassified to the Life & Healthcare segment). Results for fiscal 2018 have been reclassified for comparison.

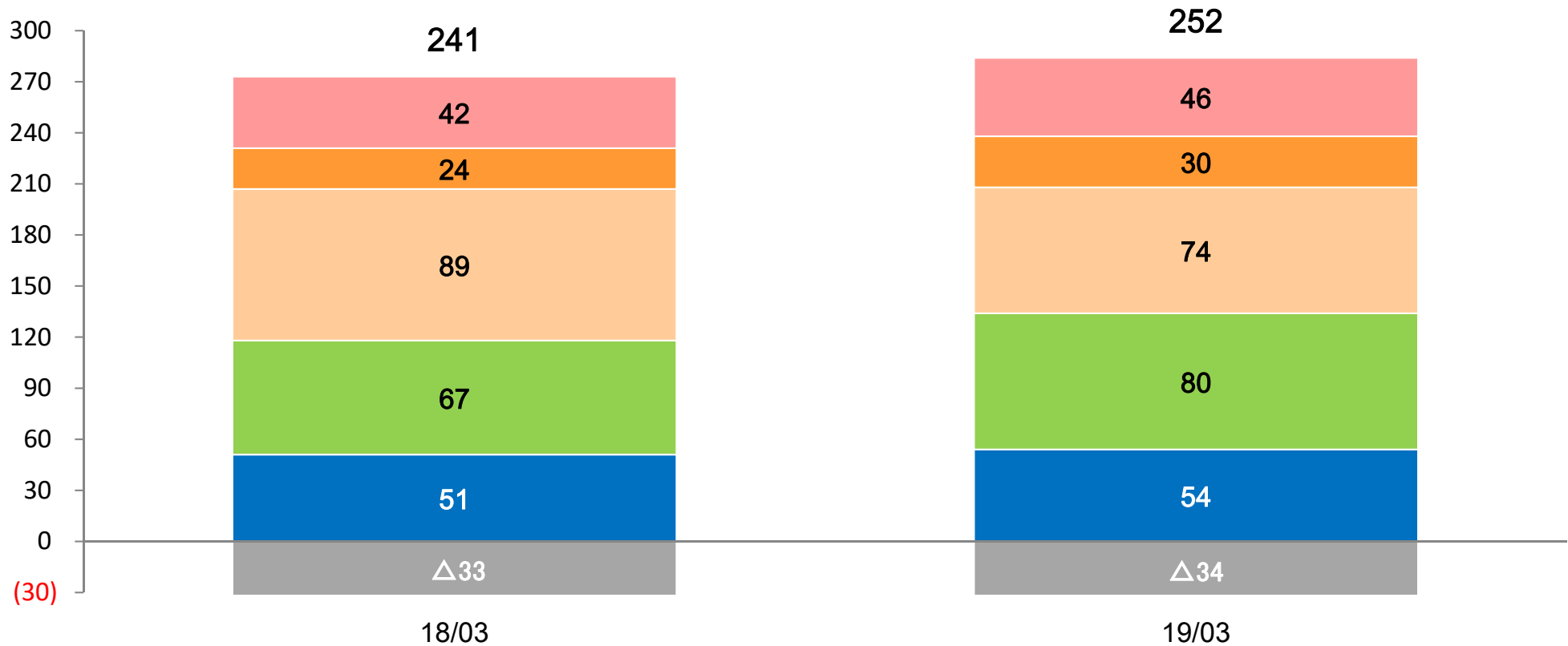
\*2 As of April 1, 2019, the Automotive & Energy Segment has been renamed the Mobility & Energy Segment

# Operating income: Two-Year Comparison (by Segment)

- **Advanced Materials & Processing:** Higher profits, mainly due to improved profitability among manufacturing subsidiaries in Japan and overseas
- **Electronics:** Lower profits due to lower sales of photolithography materials, equipment-related and display-related materials

## Operating income by Segment (100 millions of yen)

■ Functional Materials 
 ■ Advanced Materials & Processing 
 ■ Electronics 
 ■ Automotive & Energy 
 ■ Life & Healthcare 
 ■ Others/Corporate



\*1 The Company reclassified reportable segments in the current fiscal year (certain businesses in the Functional Materials segment reclassified to the Life & Healthcare segment). Results for fiscal 2018 have been reclassified for comparison.

\*2 As of April 1, 2019, the Automotive & Energy Segment has been renamed the Mobility & Energy Segment

# Consolidated Balance Sheets

## ■ Shareholders' Equity Ratio down 0.9 points to 54.2%

### Assets

### Liabilities and Net Assets

(100 millions of yen)

	18/03	19/03	Change
<b>Total current assets</b>	<b>3,533</b>	<b>3,658</b>	<b>+ 125</b>
Cash and time deposits	433	440	+ 7
Notes and accounts receivable	2,259	2,304	+ 44
Inventories	736	810	+ 73
Other	103	102	△ 0
<b>Total non-current assets</b>	<b>2,161</b>	<b>2,015</b>	<b>△ 146</b>
Property, plant and equipment	672	664	△ 7
Intangible fixed assets	410	372	△ 38
Investments, other assets	1,078	977	△ 100
Investments in securities	1,004	902	△ 101
Other	74	75	+ 0
<b>Total assets</b>	<b>5,694</b>	<b>5,673</b>	<b>△ 21</b>

	18/03	19/03	Change
<b>Total current liabilities</b>	<b>1,929</b>	<b>2,018</b>	<b>+ 88</b>
Notes and accounts payable	1,180	1,172	△ 7
Short-term loans and current portion of CP	480	579	+ 99
Other	269	266	△ 2
<b>Total long-term liabilities</b>	<b>676</b>	<b>528</b>	<b>△ 147</b>
Long-term loans and Bonds	379	275	△ 103
Net defined benefit liability	145	124	△ 20
Other (Deferred tax liabilities, etc.)	152	128	△ 23
<b>Total liabilities</b>	<b>2,606</b>	<b>2,547</b>	<b>△ 59</b>
<b>Total net assets</b>	<b>3,088</b>	<b>3,126</b>	<b>+ 38</b>
Shareholders' equity	2,502	2,628	+ 126
Accumulated other comprehensive income	533	447	△ 85
Net unrealized holding gain on securities	507	418	△ 89
Translation adjustment	29	32	△ 3
Other	△ 3	△ 2	+ 0
Non-controlling interests	51	49	△ 2
<b>Total liabilities and net assets</b>	<b>5,694</b>	<b>5,673</b>	<b>△ 21</b>

# Consolidated Cash Flows



## Cash Flows

(100 millions of yen)

	19/03		18/03
<b>Net cash provided by (used in) operating activities</b>	173	Profit before income taxes +282 Depreciation and amortization other than amortization of goodwill, amortization of goodwill +111 Working capital ▲125 Income tax paid ▲48	210
<b>Net cash provided by (used in) investing activities</b>	▲ 73	Proceeds from sales of investments in securities +54 Purchases of tangible and intangible fixed assets ▲107 Purchases of investment in securities ▲25	▲ 144
<b>Net cash provided by (used in) financing activities</b>	▲ 89	Net increase (decrease) in commercial papers +70 Repayments of long-term loans ▲111 Cash dividends paid ▲51	▲ 31
<b>Effects of exchange rate changes on cash and cash equivalents</b>	1		▲ 1
<b>Net increase (decrease) in cash and cash equivalents</b>	12		32
<b>Cash and cash equivalents at beginning of the year</b>	428	Japan 226 、 Greater China 105 、 , ASEAN 46 、 Europe 30 、 Americas 4 、 Other 12	397
<b>Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation</b>	▲ 0		▲ 1
<b>Cash and cash equivalents, at end of the period</b>	440	Japan 225 、 Greater China 123 、 ASEAN 47 、 Europe 21 、 Americas 3、 Other 18	428



# FYE March 2020 Earnings Projections

## ■ Forecast for continued record-high sales and profits next year

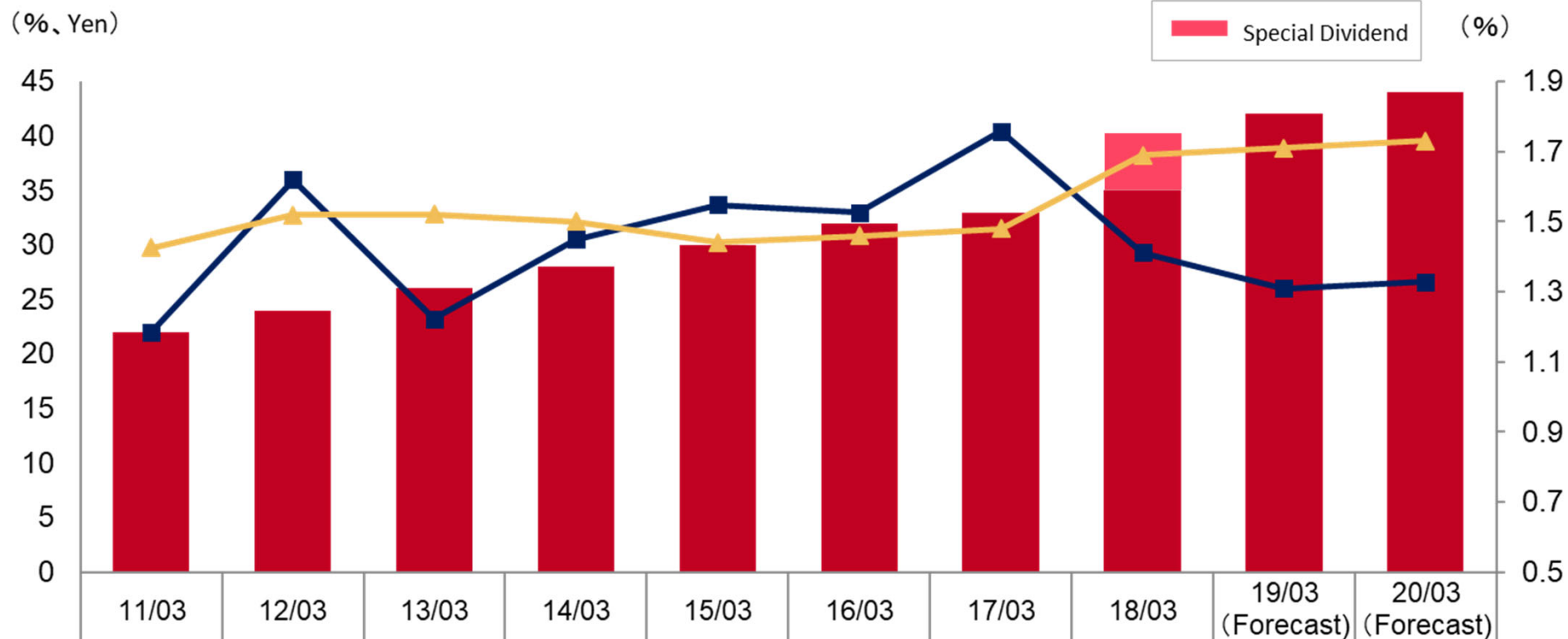
(100 millions of yen)

	19/03	20/03	
	Actual (A)	Full Year Forecas (B)	Vs. PY (B/A)
<b>Net sales</b>	8,077	8,500	105%
<b>Operating income</b>	252	260	103%
<b>Ordinary income</b>	266	270	101%
<b>Profit attributable to owners of the parent</b>	201	205	102%
US\$ Exchange rate (period average)	@110.9	@110.0	–
RMB Exchange rate (period average)	@16.5	@16.0	–

# Dividends

■ **Current period: Total annual dividend of ¥42 per common share (¥18 interim dividend, ¥24 year-end dividend)**

■ **Next period: Total annual dividend of ¥44 per common share (¥22 interim dividend, ¥22 year-end dividend)**



\*1 FYE March 2018 dividends include a special dividend of ¥5 per share.

\*2 19/03 year-end dividend to be submitted for approval to general meeting of shareholders scheduled for June 2019



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

**These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of May 7 , 2019. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.**