

FYE March 2020 First Quarter Financial Highlights

NAGASE & CO., LTD.

August 2, 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 Statements of Income

- Net sales : Lower income in all segments other than the Life & Healthcare segment due to increasing uncertainty regarding the future of the global economy.
- Operating income : Lower income, coupled with higher general and administrative expenses led to lower profits.

(100 millions of yen)

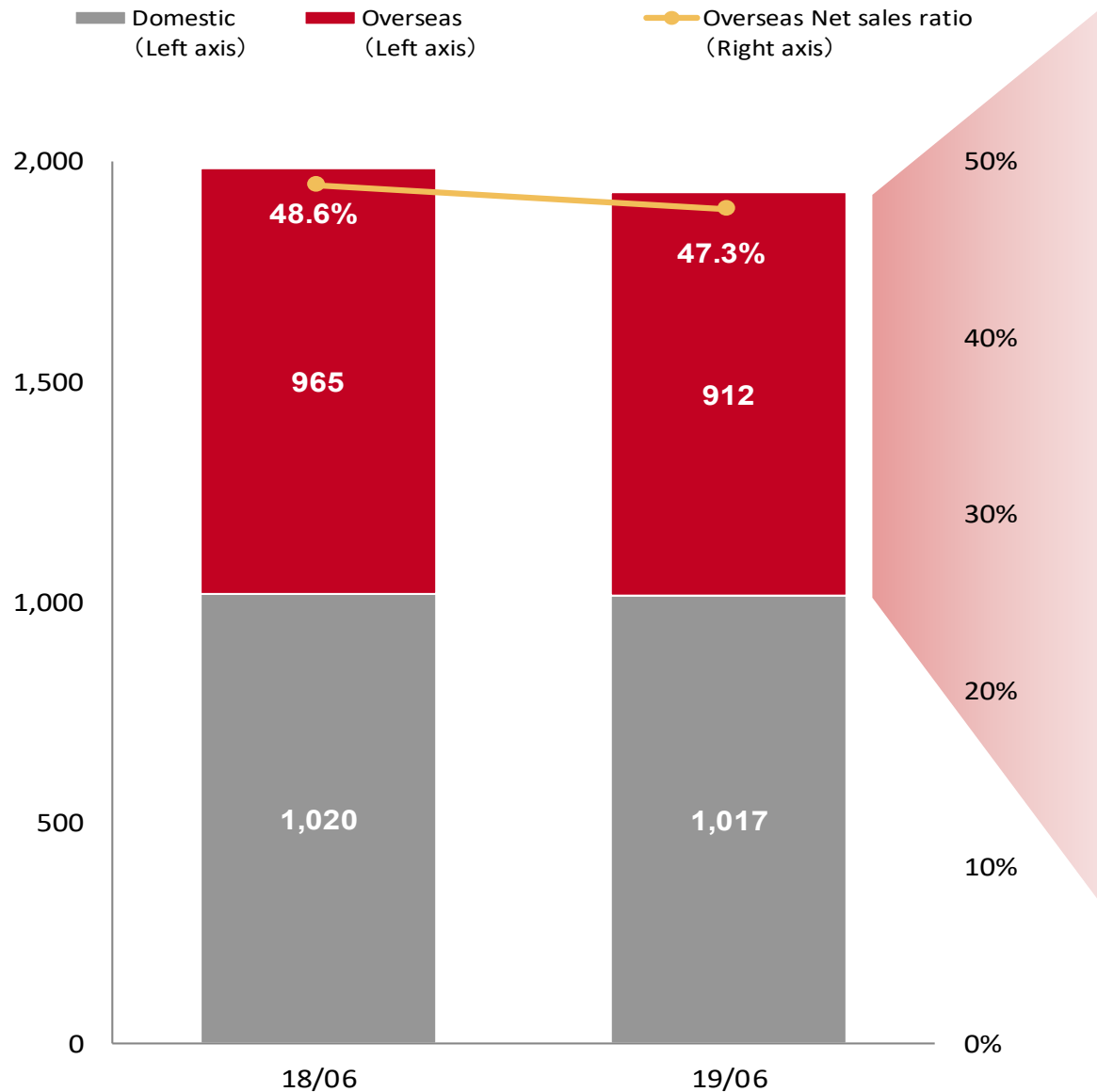
	18/06	19/06	Change	Vs. PY	Orig. Forecast (full year)
Net sales	1,986	1,929	△ 56	97%	8,500
Gross profit	265	253	△ 11	96%	1,108
<GP ratio>	13.3%	13.2%	△ 0.2%	—	13.0%
SG&A expenses	195	201	+ 5	103%	848
Operating income	69	52	△ 16	76%	260
Ordinary income	76	58	△ 17	76%	270
Profit attributable to owners of the parent	54	41	△ 13	76%	205
US\$ Exchange rate (period average)	@ 109.1	@ 109.9	@ 0.8	weak yen	@110
RMB Exchange rate (period average)	@ 17.1	@ 16.1	@ 1.1	strong yen	@ 16.0

【 Foreign exchange rate impact on 19/06 net sales and operating income results 】
 Net sales: △¥2 billion (approx.) Operating income: △¥60million(approx.)

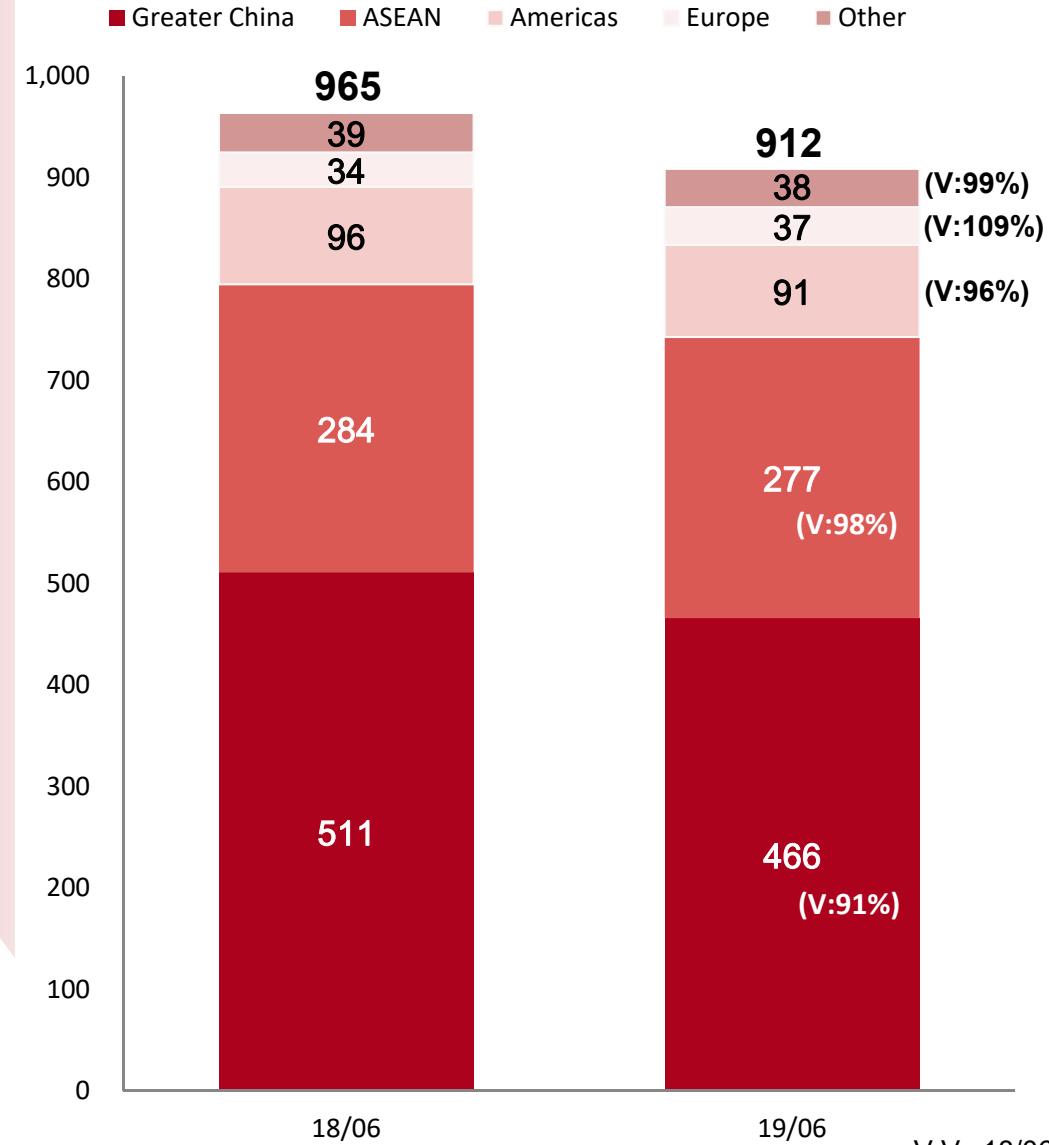
Net Sales by Region (Domestic, Overseas)

■ Despite level sales in Japan, sales overseas (with the exception of Europe) were lower (overseas ratio of total sales 47.3%).

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



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

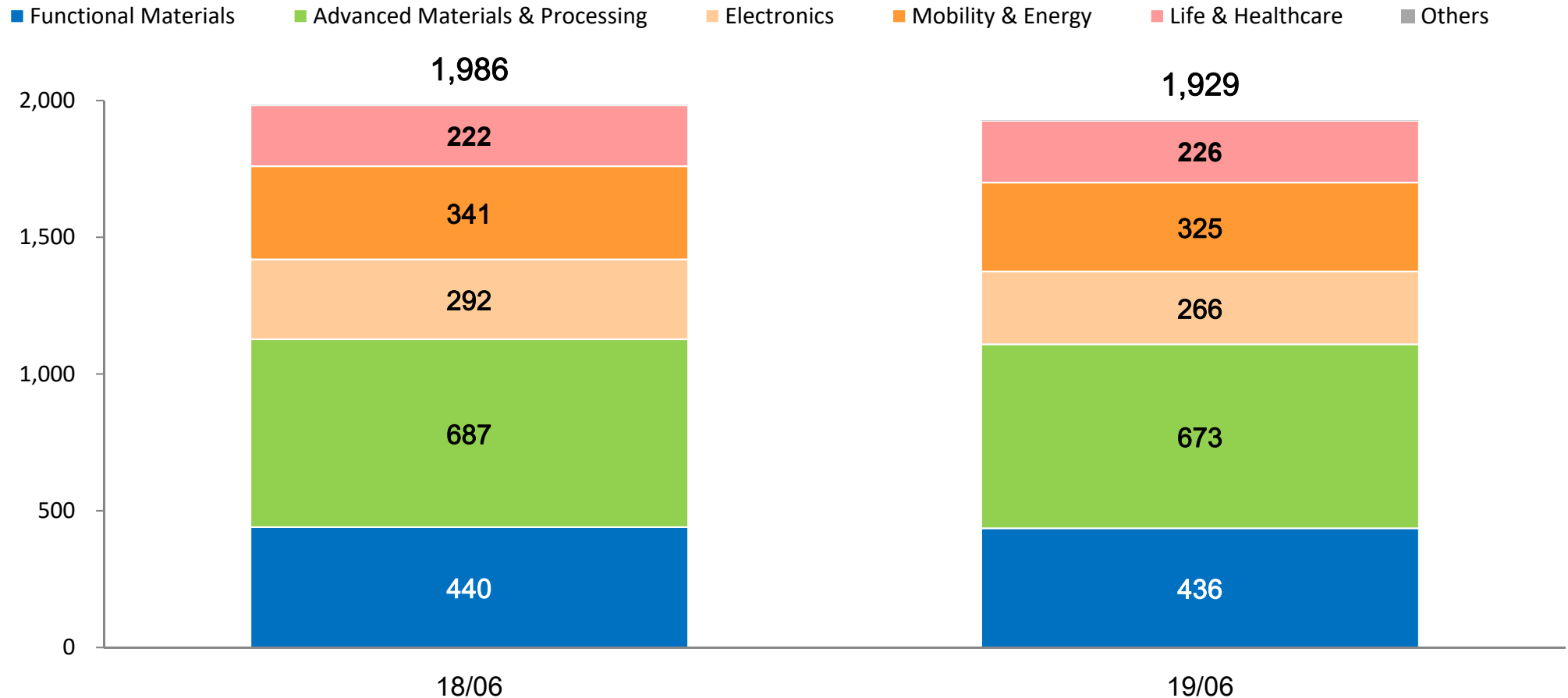


V:Vs 18/06

Net Sales: Two-Year Comparison (by Segment)

- **Electronics** : Despite increased sales of formulated epoxy resins and photolithography materials to the semiconductor industries, lower sales of precision processing-related, equipment-related, and display-related materials used in connection with intermediate processing in semiconductors led to lower sales.
- **Mobility & Energy** : Lower sales in the resins business in Japan and overseas, despite higher sales of car electronics-related products, led to lower sales.
- **Life & Healthcare** : Increased sales due to higher sales of TREHA™ and other products in the food materials field, as well as higher sales of pharmaceutical raw materials and intermediates and medical materials in the medical and pharmaceutical field.

Net Sales by Segment (100 millions of yen)



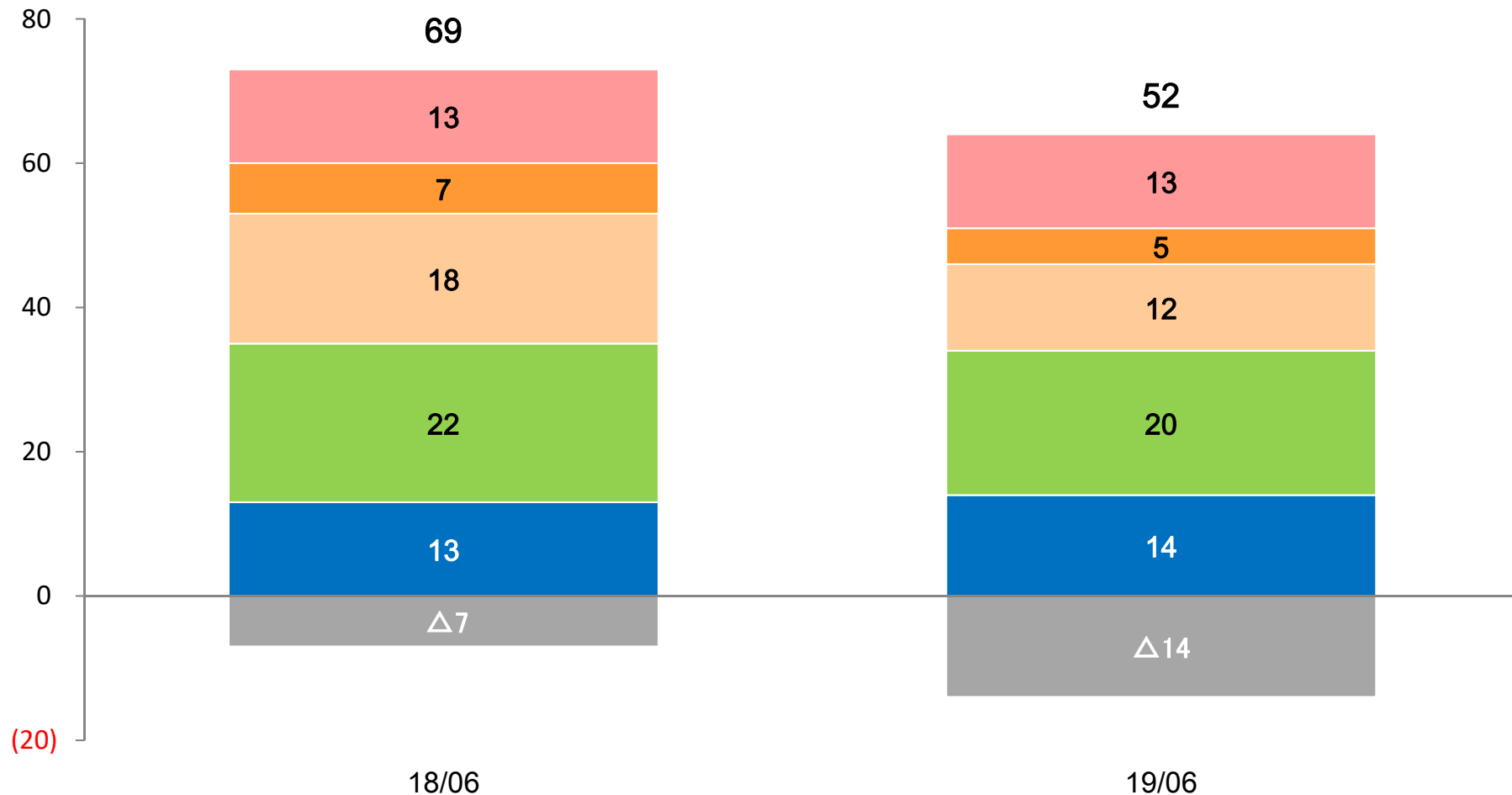
* As of April 1, 2019, the Automotive & Energy Segment has been renamed the Mobility & Energy Segment

Operating income: Two-Year Comparison (by Segment)

■ **Functional Materials** : Increased profits, despite lower sales, due to improvement in sales mix.

Operating income by Segment (100 millions of yen)

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



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

Consolidated Balance Sheets

- **Assets** : Decrease of ¥9.2 billion, despite an increase in property, plant and equipment, mainly due to accounts receivable and inventory factors, as well as fair value decline in of investments in securities.
- **Liabilities** : Decrease of ¥6.2 billion, despite redemption of bonds and a decrease in accounts payable.
- **Net Assets** : Decrease of ¥2.9 billion due to decreases in translation adjustments and net unrealized holding gains on securities, which counteracted ¥4.1 billion in profit attributable to owners of the parent.
- **Shareholders' equity ratio up 0.4 points to 54.6%.**

Assets

	19/03	19/06	Change
Total current assets	3,658	3,568	△ 90
Cash and time deposits	440	412	△ 28
Notes and accounts receivable	2,304	2,270	△ 33
Inventories	810	778	△ 31
Other	102	106	+ 3
Total non-current assets	2,015	2,013	△ 1
Property, plant and equipment	664	683	+ 18
Intangible fixed assets	372	361	△ 11
Investments, other assets	977	968	△ 8
Investments in securities	902	883	△ 19
Other	75	85	+ 10
Total assets	5,673	5,581	△ 92

Liabilities and Net Assets

(100 millions of yen)

	19/03	19/06	Change
Total current liabilities	2,018	1,932	△ 86
Notes and accounts payable	1,172	1,141	△ 31
Short-term loans and current portion of CP	579	540	△ 38
Other	266	250	△ 15
Total long-term liabilities	528	552	+ 23
Long-term loans and Bonds	275	274	△ 1
Net defined benefit liability	124	135	+ 10
Other (Deferred tax liabilities, etc.)	128	142	+ 14
Total liabilities	2,547	2,484	△ 62
Total net assets	3,126	3,096	△ 29
Shareholders' equity	2,628	2,641	+ 12
Accumulated other comprehensive income	447	407	△ 40
Net unrealized holding gain on securities	418	401	△ 17
Translation adjustment	32	11	△ 20
Other	△ 2	△ 2	+ 0
Non-controlling interests	49	47	△ 1
Total liabilities and net assets	5,673	5,581	△ 92



Bringing it all together

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

These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of August 2 , 2019. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.