

FYE March 2020 Third Quarter Financial Highlights

**NAGASE & CO., LTD.
February 5, 2020**

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Consolidated Statements of Income

- Net sales: Overall industry weakness and stronger yen led to lower sales.
- Operating income: Lower profits due to lower sales and increased expenses in connection with the Prinova Group acquisition.

(100 millions of yen)

	18/12	19/12	Change	Vs. PY	Revised Forecast (full year)
Net sales	6,164	6,017	△ 147	98%	8,200
Gross profit	808	778	△ 30	96%	1,080
<GP ratio>	13.1%	12.9%	△ 0.2%	—	13.2%
SG&A expenses	599	627	+ 27	105%	865
Operating income	209	150	△ 58	72%	215
Ordinary income	222	157	△ 65	71%	220
Profit attributable to owners of the parent	161	120	△ 40	75%	173
US\$ Exchange rate (period average)	@ 111.1	@ 108.7	@ 2.5	strong yen	@108.0
RMB Exchange rate (period average)	@ 16.6	@ 15.6	@ 1.0	strong yen	@ 15.4

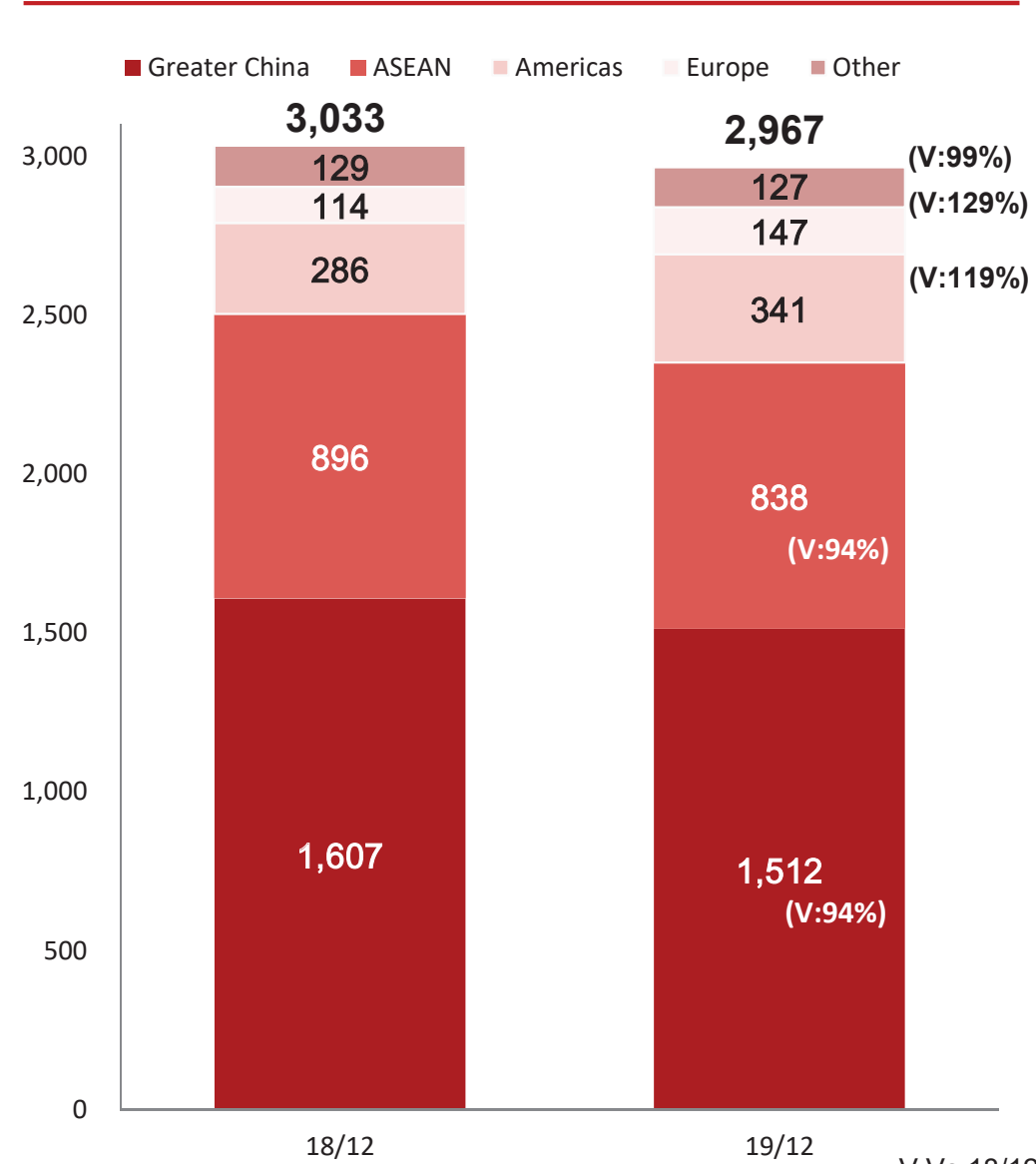
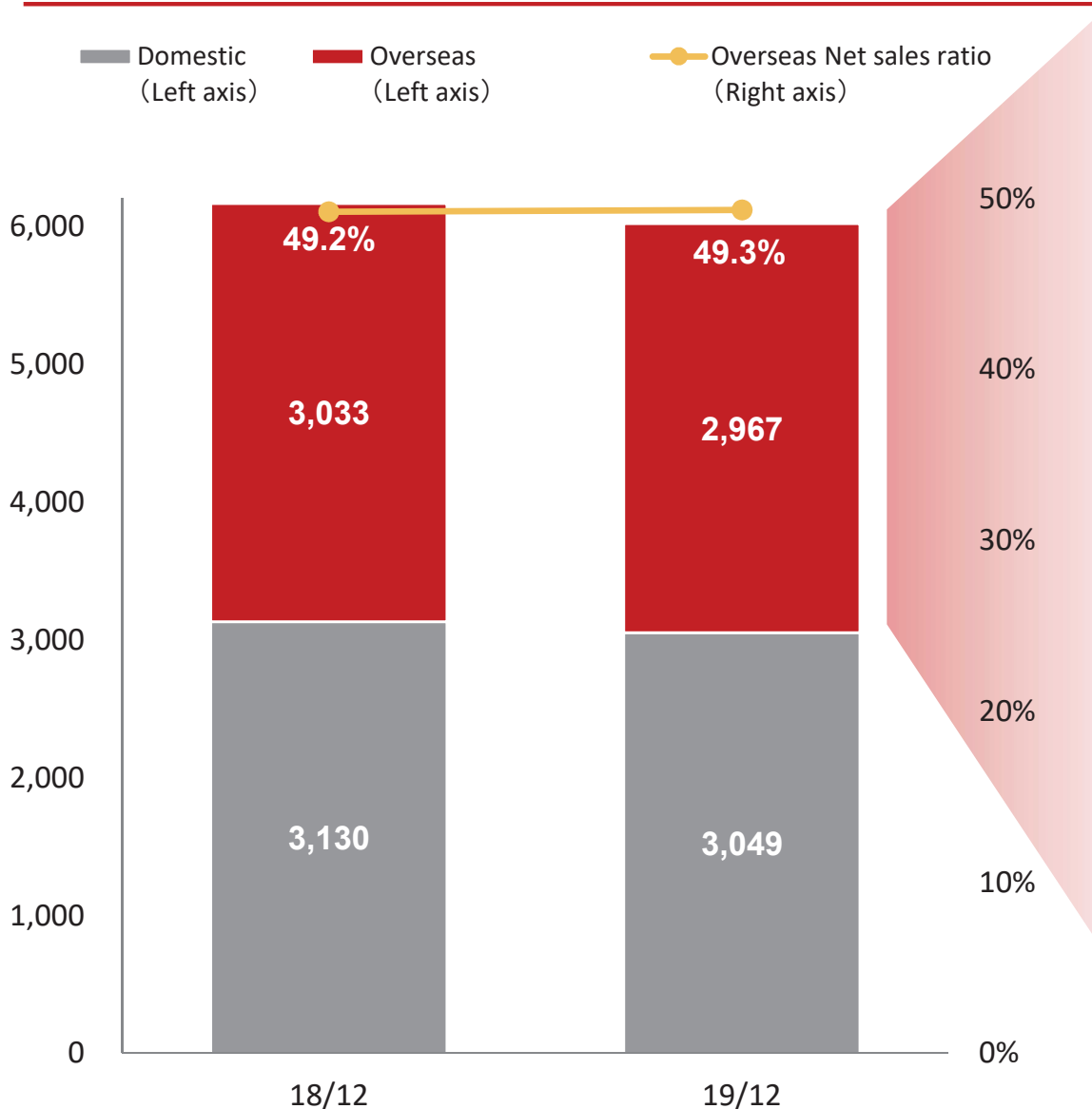
【 Foreign exchange rate impact on 19/12 net sales and operating income results 】
 Net sales: △¥10.5 billion (approx.); Operating income: △¥100million

Net Sales by Region (Domestic, Overseas)

■ Despite increased sales in the Americas and Europe due to the consolidation (two months) of the Prinova Group, sales decreased in other regions. (overseas ratio of total sales 49.3%)

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

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

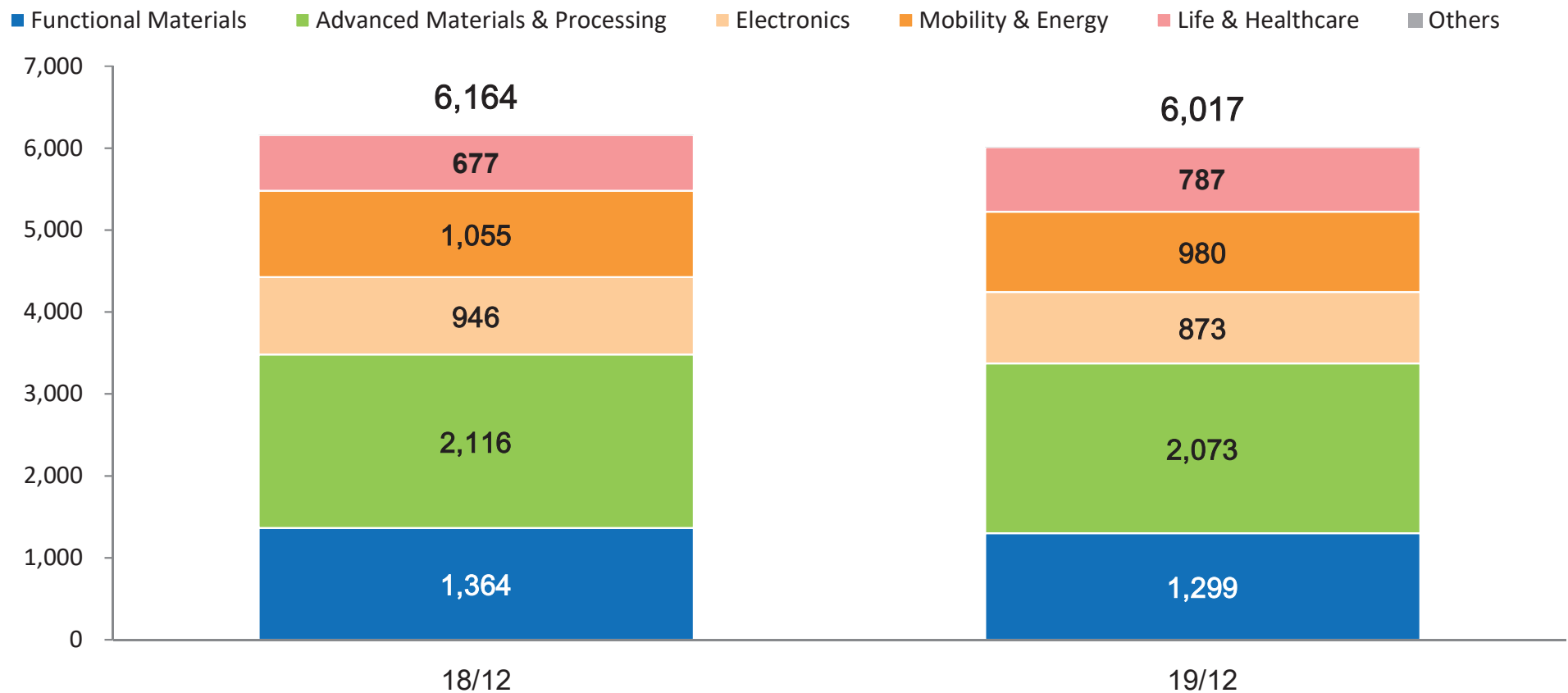


V:Vs 18/12

Net Sales: Two-Year Comparison (by Segment)

- Electronics:** Despite increased sales of photolithography material, sales of precision processing-related, equipment-related, and display-related materials used in connection with intermediate processing in semiconductors were lower, driving overall sales down.
- Life & Healthcare:** Though sales of AA2G™ to customers in the skin care and toiletries sectors were higher overseas, sales decreased in Japan. In the medical and pharmaceutical field, though sales in the pharmaceutical business decreased, sales of pharmaceutical raw materials and intermediates, as well as medical materials, increased. However, in the food materials field, increased sales of TREHA™ and other products, as well as contribution by consolidation of the Prinova Group (two months), led to overall increases.

Net Sales by Segment (100 millions of yen)

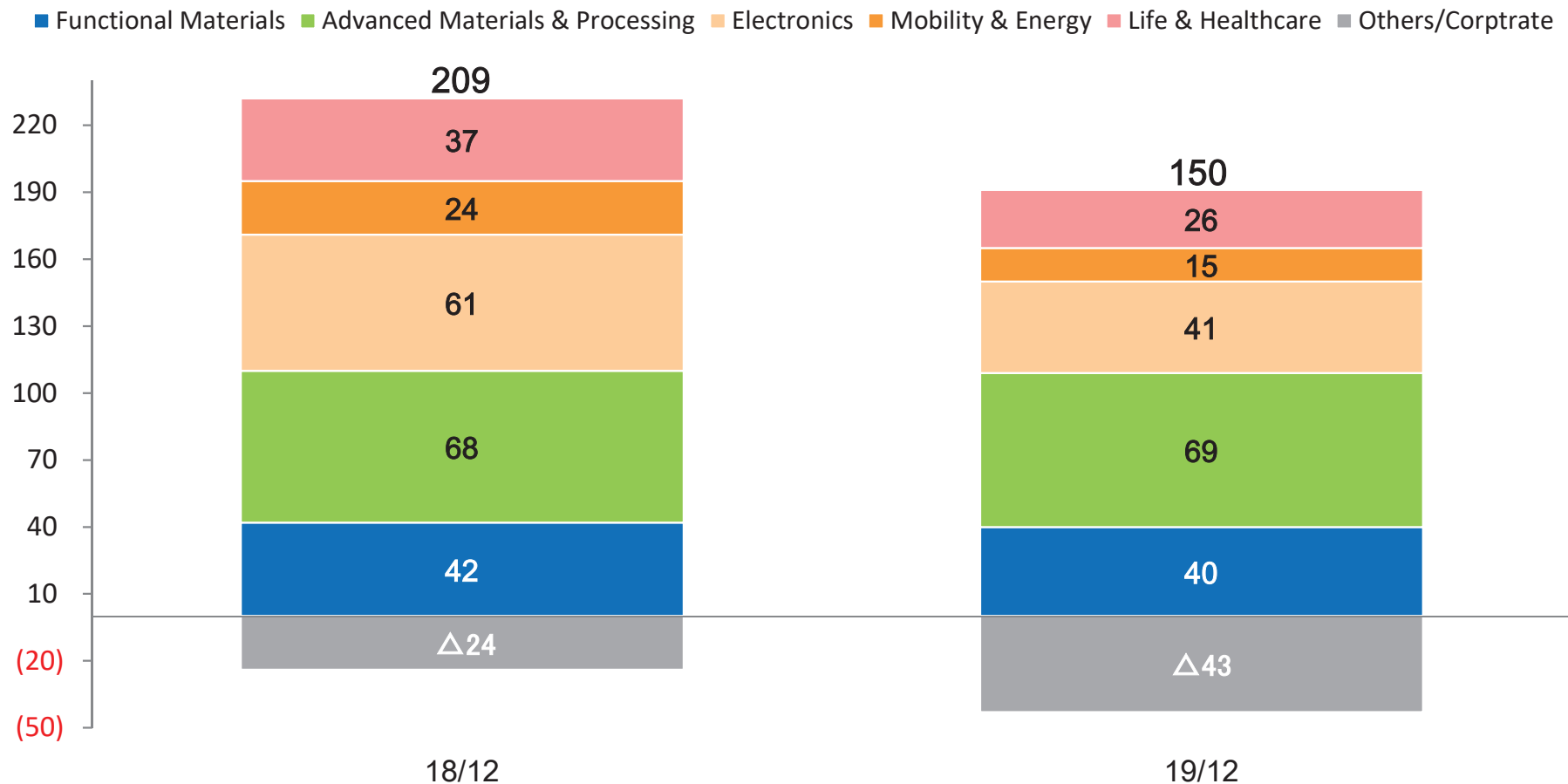


* As of April 1, 2019, the Automotive & Energy Segment has been renamed the Mobility & Energy Segment

Operating income: Two-Year Comparison (by Segment)

- Profit lower in all segments other than Advanced Materials & Processing.
- Advanced Materials & Processing: Despite reduced sales, increased profitability in the Company's manufacturing subsidiaries in Japan led to higher profit.
- Life & Healthcare: Despite increased sales, decreased profitability in a portion of the Company's manufacturing subsidiaries leads to lower profit.
- Corporate/Other: Increased expenses in connection with the Prinova Group acquisition and system-building to implement measures toward medium- and long-term growth resulted in greater expenses overall.

Operating income by Segment (100 millions of yen)



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

Consolidated Balance Sheets

- **Assets:** Increase of ¥74.2 billion due to intake of assets in connection with new consolidation of a subsidiary, recording of intangible assets including goodwill, and an increase in investments in securities due to price increases of shares owned.
- **Liabilities:** Increase of ¥62.8 billion due to increase in interest-bearing debt as a result of the Prinova Group acquisition.
- **Net assets:** Increase of ¥11.4 billion due to the recording of profit attributable to owners of the parent, as well as an increase in net unrealized holding gain on securities.
- **Shareholders' Equity Ratio** down 4.8 points to 49.4%.

Assets

	19/03	19/12	Change
Total current assets	3,658	3,903	+ 245
Cash and time deposits	440	383	△ 57
Notes and accounts receivable	2,304	2,459	+ 154
Inventories	810	944	+ 134
Other	102	116	+ 13
Total non-current assets	2,015	2,512	+ 497
Property, plant and equipment	664	744	+ 79
Intangible fixed assets	372	707	+ 334
Investments, other assets	977	1,060	+ 83
Investments in securities	902	966	+ 63
Other	75	94	+ 19
Total assets	5,673	6,416	+ 742

Liabilities and Net Assets

(100 millions of yen)

	19/03	19/12	Change
Total current liabilities	2,018	2,139	+ 120
Notes and accounts payable	1,172	1,232	+ 60
Short-term loans and current portion of CP	579	632	+ 53
Other	266	273	+ 6
Total long-term liabilities	528	1,036	+ 507
Long-term loans and Bonds	275	721	+ 446
Net defined benefit liability	124	138	+ 13
Other (Deferred tax liabilities, etc.)	128	176	+ 48
Total liabilities	2,547	3,176	+ 628
Total net assets	3,126	3,240	+ 114
Shareholders' equity	2,628	2,693	+ 64
Accumulated other comprehensive income	447	474	+ 26
Net unrealized holding gain on securities	418	456	+ 38
Translation adjustment	32	19	△ 13
Other	△ 2	△ 1	+ 1
Non-controlling interests	49	72	+ 23
Total liabilities and net assets	5,673	6,416	+ 742



Bringing it all together

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

These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of February 5 , 2020. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.