

# 13-Year Financial Highlights

NAGASE & CO., LTD. and Consolidated Subsidiaries (Years Ended March 31)

(Millions of yen)

	2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3
<b>Mid-Term Management Plan</b>	<b>WIT2008</b>			<b>"CHANGE"II</b>			<b>Change-S2014</b>			<b>ACE-2020</b>			
	Investment Amount: ¥27.7 billion			Investment Amount: ¥107.4 billion			Investment Amount: ¥41.1 billion			Investment Amount: ¥13.7 billion		Investment Amount: ¥47.1 billion	
<b>Performance (Accounting Fiscal Year)</b>													
Net Sales	¥ 701,321	¥ 764,755	¥ 715,238	¥ 603,949	¥ 660,213	¥ 631,854	¥ 666,272	¥ 723,212	¥ 759,713	¥ 742,194	¥ 722,384	¥ 783,933	¥ 807,755
<b>Segments</b>													
Functional Materials (formerly Chemicals)	247,094	267,836	248,461	237,124	253,290	177,126	167,017	169,973	168,238	157,149	153,546	174,922	179,627
Advanced Materials & Processing (formerly Plastics)	244,681	274,660	253,029	192,569	222,100	217,929	214,214	239,224	254,165	255,505	242,609	262,831	275,203
Electronics	150,796	163,833	153,255	117,591	133,640	110,495	125,014	137,026	149,947	127,926	127,722	129,324	122,319
Mobility & Energy (formerly Automotive & Energy)	—	—	—	—	—	76,113	83,068	99,441	109,851	115,351	112,956	129,708	139,235
Life & Healthcare (formerly Healthcare/Other)	53,556	56,489	58,905	55,542	50,247	49,170	76,116	76,810	76,609	85,571	84,904	86,517	90,794
Others	5,191	1,934	1,585	1,121	934	1,018	841	737	900	689	644	629	574
<b>Region</b>													
Domestic	410,789	432,813	394,874	360,382	389,379	366,369	361,971	372,939	374,208	363,038	369,365	395,428	412,617
Overseas	290,532	331,942	320,364	243,567	270,833	265,484	304,301	350,272	385,505	379,155	353,019	388,504	395,137
Gross Profit	73,639	80,506	71,527	65,415	73,008	71,628	82,583	88,936	91,991	91,663	91,503	102,675	105,441
Operating Income	21,669	23,063	12,522	13,128	18,732	13,427	15,578	15,789	18,153	18,024	15,030	24,118	25,226
Profit Attributable to Owners of the Parent	13,567	10,005	5,808	7,537	12,823	8,570	14,182	11,663	11,318	12,316	10,331	17,175	20,136
<b>Financial Condition</b>													
Total Assets	¥ 422,859	¥ 419,869	¥ 340,968	¥ 368,088	¥ 375,336	¥ 450,842	¥ 486,747	¥ 498,141	¥ 546,525	¥ 512,081	¥ 530,775	¥ 569,456	¥ 567,346
Equity Capital	205,083	200,554	184,599	195,344	201,516	204,706	228,505	246,723	281,398	273,963	290,217	303,636	307,674
Interest-Bearing Debt	20,491	33,342	31,340	21,886	27,125	88,710	98,425	92,828	98,493	87,560	82,046	86,173	85,620
	(Yen)												
<b>Per Share Data:</b>													
Net Income (Basic)	¥ 105.84	¥ 77.86	¥ 45.17	¥ 58.64	¥ 99.76	¥ 66.69	¥ 111.31	¥ 91.86	¥ 89.10	¥ 96.96	¥ 81.65	¥ 136.34	¥ 161.30
Net Assets	1,597.27	1,559.97	1,435.88	1,519.61	1,568.04	1,592.87	1,803.31	1,942.20	2,215.18	2,156.67	2,301.10	2,424.97	2,481.01
Cash Dividends	18	17	16	16	22	24	26	28	30	32	33	40	42
Payout Ratio (%)	17.0	21.8	35.4	27.3	22.1	36.0	23.4	30.5	33.7	33.0	40.4	29.3	26.0
Shareholders' Equity Dividend Rate (%)	1.15	1.08	1.07	1.08	1.42	1.52	1.52	1.50	1.44	1.46	1.48	1.69	1.71
	(Yen)												
<b>Ratios:</b>													
Overseas Sales to Net Sales	41.4	43.4	44.8	40.3	41.0	42.0	45.7	48.4	50.7	51.1	48.9	49.6	48.9
Manufacturing Ratio (Operating Income)	22.3	24.4	15.5	35.4	29.0	31.3	37.3	23.5	27.8	24.3	39.5	34.2	33.5
Operating Margin (Operating Income/Net Sales)	3.1	3.0	1.8	2.2	2.8	2.1	2.3	2.2	2.4	2.4	2.1	3.1	3.1
Return on Equity (ROE)	6.8	4.9	3.0	4.0	6.5	4.2	6.5	4.9	4.3	4.4	3.7	5.8	6.6
Net Worth Ratio	48.5	47.8	54.1	53.1	53.7	45.4	46.9	49.5	51.5	53.5	54.7	53.3	54.2
Debt Equity Ratio (Times)	0.10	0.17	0.17	0.11	0.13	0.43	0.43	0.38	0.35	0.32	0.28	0.28	0.28
	(%)												

(Note 1) At the beginning of fiscal 2009, the Company moved its information and functional materials businesses handling materials related to insulating materials and fluoroplastic-related materials from the Electronics segment to the Chemicals segment. Businesses handling surface detection machines for functional films and sheets have been moved under the Plastics segment.

(Note 2) At the beginning of fiscal 2012, the NAGASE Group reorganized its four business segments into five business segments (Functional Materials, Advanced Materials & Processing, Electronics, Automotive & Energy, and Life & Healthcare) to more fully reflect the respective positions of each business in the value chain. For comparative purposes, fiscal 2011 figures have been calculated using the new business segments. The Colors & Imaging Department formerly under the Chemicals segment has been moved under the Advanced Materials & Processing segment. The Automotive & Energy segment was organized out of the Automotive Solutions Department (belonging to the Plastics segment) and the Energy Business Office, which was launched as an integrated entity from the Environment & Energy Office (under Other) and the Energy Device Office.

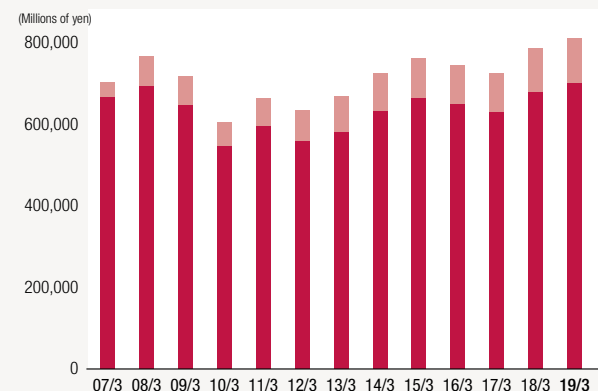
(Note 3) At the beginning of fiscal 2013, the Automotive & Energy segment was organized by combining the former Automotive Solutions Department (under the Plastics segment) and the former Energy Business Office, which was an integrated entity combining the Environment & Energy Office (under the Other segment) and the Energy Device Office.

(Note 4) The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28 issued February 16, 2018) are applied from April 1, 2019. Following this change, deferred tax assets are now presented under "Investments and other assets," and deferred tax liabilities are presented under "Long-term liabilities."

(Note 5) From April 1, 2019, the name of the Automotive & Energy segment has been changed to the Mobility & Energy segment.

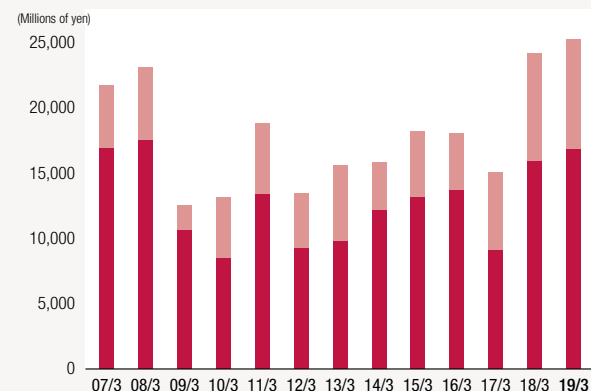
## Net Sales

■ Trading Business ■ Manufacturing Business



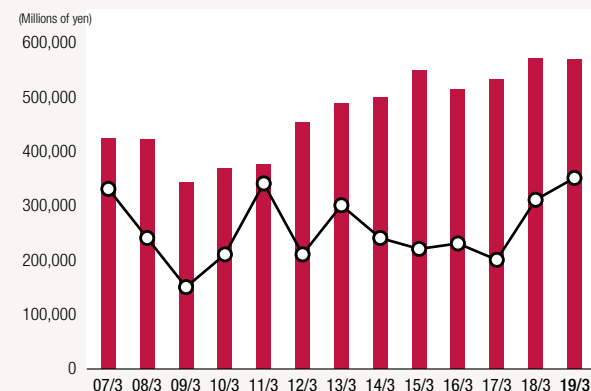
## Operating Income

■ Trading Business ■ Manufacturing Business



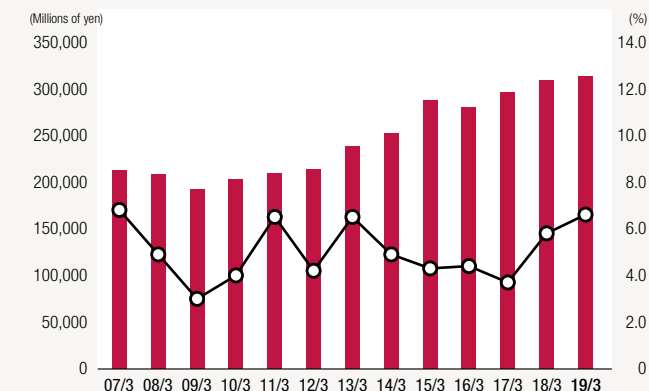
## Total Assets/ROA

■ Total Assets (left scale) ● ROA (right scale)



## Net Assets/ROE

■ Net Assets (left scale) ● ROE (right scale)



# Our Value Creation Process and Long-Term Management Policy

Investment of Management Resources				
Financial capital	Manufacturing capital	Human capital	Social and related capital	Intellectual capital
Growth Investment	Capital Investment	Employees	Group Companies	R&D Expenses
<b>100</b> billion yen Rating (R&I) [A]	<b>32.2</b> billion yen (FY2016-2018)	<b>6,143</b>	<b>27</b> Countries and Areas	<b>17.7</b> billion yen (FY2016-2018)

**NAGASE Vision**

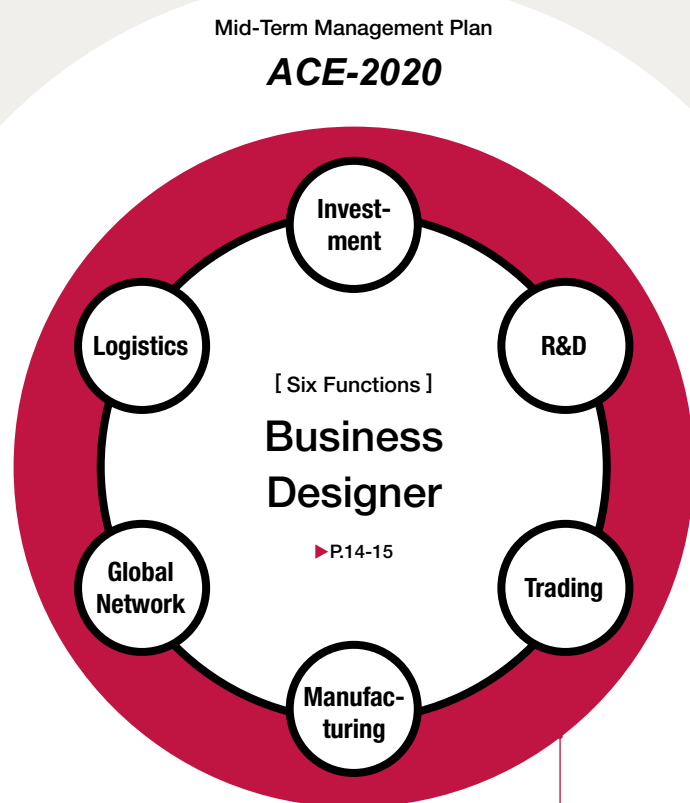
**Identify**  
Find needs and seeds

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**Develop**  
Grow seeds into businesses

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**Expand**  
Ongoing business growth



**Business Portfolio**

- Functional Materials
- Advanced Materials & Processing
- Electronics
- Mobility & Energy
- Life & Healthcare

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**Suppliers Business Partners**

**Foundation for Value Creation**

**Manufacturing and Processing**

- Nagase ChemteX
- Hayashibara, 49 Other Companies

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**R&D**

- New Value Creation Office
- Nagase R&D Center
- Nagase Application Workshop

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**Sustainability**

**NAGASE Group Strengths**

- Strong Financial Foundation
- Networks of business information
- Global logistics
- Technological expertise
- Chemical management know-how
- Credibility backed by our history

## Long-Term Management Policy

**Summary of the Long-Term Management Policy**

**Challenges for Growth**

- Increase investment
- Accelerate organic growth
- Expand overseas operations

**Reinforce the Management Platform for Growth**

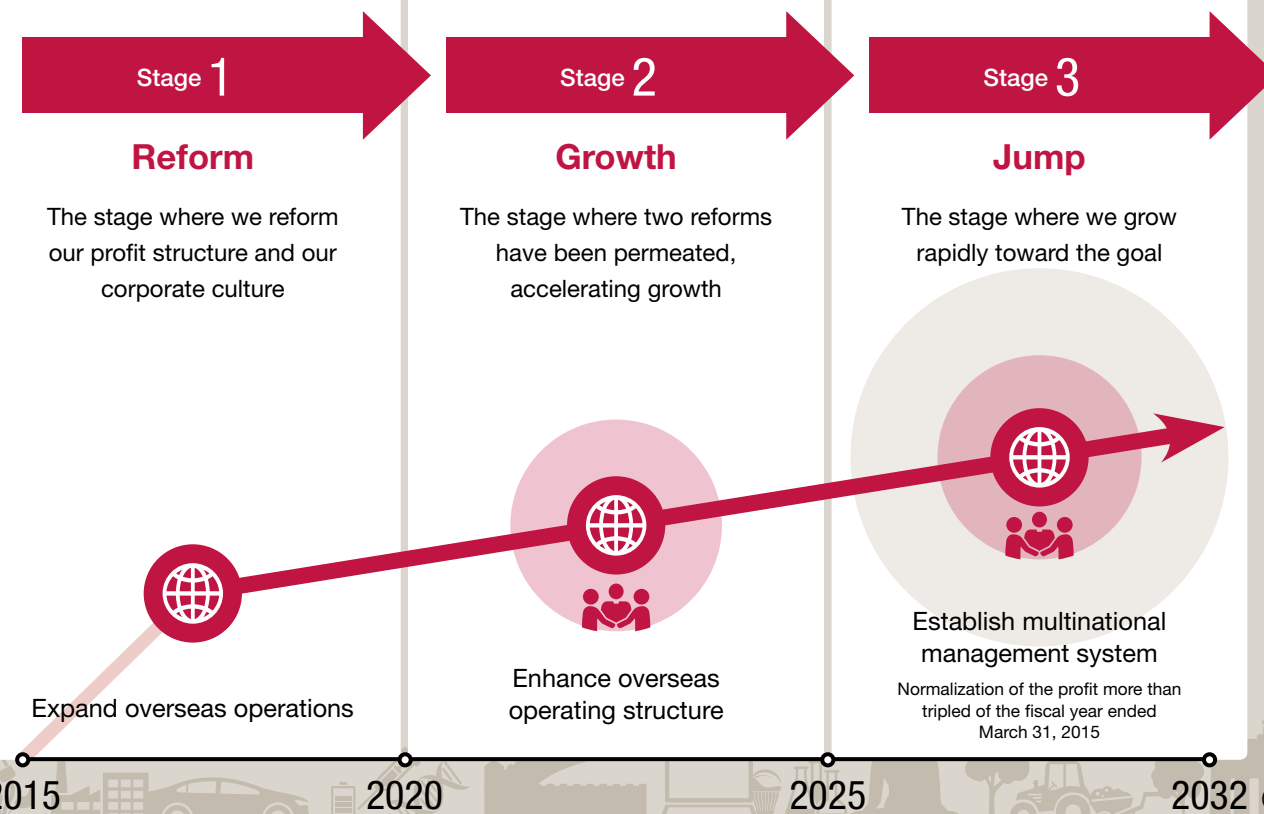
- Restructure global governance
- Increase flexibility in HR management
- Enhance safety and assurance
- Consolidate communications infrastructure

We contribute to creating a sustainable world where people live with peace of mind.

Supporting industry through materials and finished products

Supporting beauty and health

Solving social problems through business



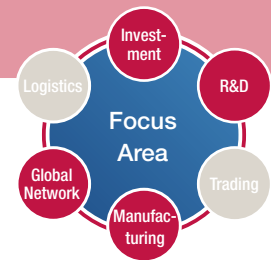
## Business Designer: 8 Case Studies

We use the term Business Designer to describe the type of company we want to become. While our main activities have been based in trading and chemicals, we have extended beyond those categories, integrating six functions on a higher level: Trading, R&D, Investment, Logistics, Global Network, Manufacturing. We are now designing businesses without boundaries.

### Target Market 5G, IoT, Semiconductors

#### Invested in 3D Glass Solutions, Inc.

- 3D Glass Solutions is a startup designing and manufacturing high-frequency 5G devices.
- We promoted a joint development framework that utilizes the NAGASE Group's mass production technology and quality control system.



### Target Market Mobility

#### Entered the Self-Driving Technology Field (LiDAR-Related)

- We began alliances with U.S.-based TriLumina and Canada-based LeddarTech.
- Laser and sensor technologies are indispensable to autonomous driving.
- We will help improve safety through long-distance and highly precise sensing technology.



### Target Market Food Ingredients

#### Hayashibara Co., Ltd. Concluded Long-Term Partnership Agreement with Lonza

- Hayashibara respond to the expanding demand for plant-based pullulan capsules.
- The company started to set up a new facility.



### Target Market Markets in Need of New Materials

#### Promoted Joint Development in Materials Informatics

- We engaged in joint development with U.S.-based IBM, Inc.
- We began use of AI and latest data processing technologies.
- We reduced costs and shortened time needed to develop new (alternative) materials.



### Target Market 3D Printers

#### Established Infinite Material Solutions, Inc.

- Infinite Material Solutions is a joint venture with U.S. based Interfacial Consultants LLC.
- We aim to commercialize water-soluble support material filaments for fused deposition modeling (FDM). (AquaSys™ is the industry's first water-soluble support material compatible with super engineering plastics.)

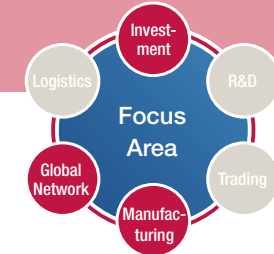


# 8 Business Designer Cases

### Target Market LCD and Semiconductors in China

#### Collaborated with Joint Ventures and Wuxi Chenghong Electronic Materials

- We aim to expand our chemicals business in the liquid crystal and semiconductor markets, which are expected to grow in China.
- We expanded our operating area by leveraging the strengths of our joint ventures with local Chinese companies.



### Target Market Region-Specific Markets Overseas

#### Established Regional Headquarters in the United States and China

- The Americas region includes Mexico and Brazil, and the Greater China region includes Taiwan and Hong Kong.
- We accelerated creation of new region-leading businesses and strengthened governance in overseas businesses.



### Target Market Next-Generation Displays

#### Established a Joint Venture with TOYOBO CO., LTD.

- The joint venture manufactures and sells XENOMAX™, a heat-resistant polyimide film.
- We aim to quickly build a ¥10 billion business.

