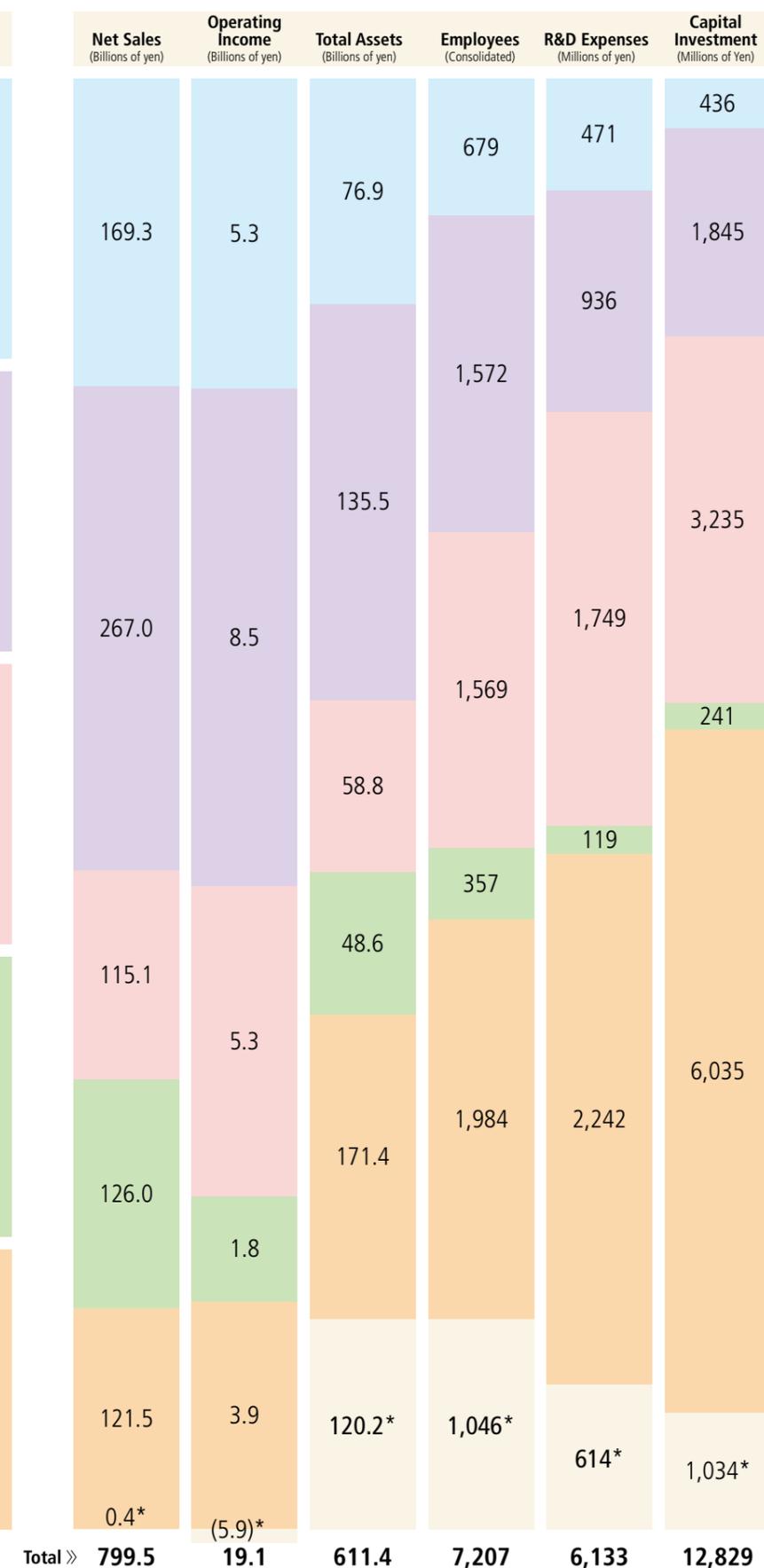


List of Businesses

Segment Name	Main Items Handled by Each Segment	Customer Industries
 <h2>Functional Materials Segment</h2> <p>»P60</p> <p>Primary products sold to the paints, inks, plastics, urethane foam, organic synthetics, surfactants, semiconductor and other industries include paint and ink raw materials, urethane raw materials, auxiliary materials, plastic raw materials, plastic additives, raw materials for industrial oil solutions, surfactant raw materials, fluorochemicals, encapsulant raw materials, silicone raw materials and others.</p>	<p>Coating Raw Materials</p>  <p>Deals in a variety of paint and ink raw materials, including coating raw materials used in automobile bodies and other applications.</p> <p>Denafilter™</p>  <p>Manufacture and sale of Denafilter™, which is used to remove impurities from raw materials during the manufacturing process for products such as LCD panels.</p>	<p>Performance Chemicals</p> <p>Paints, inks, urethane</p> <p>Specialty Chemicals</p> <p>Petrochemicals, plastics, electronic materials, semiconductors, industrial oil, surfactants, organic synthetics, etc.</p>
 <h2>Advanced Materials & Processing Segment</h2> <p>»P62</p> <p>Sales of products for the pigments, inks, paper manufacturing, labels, and fiber processing industries, as well as the plastic raw materials, plastic molding, film and sheet products, construction, cosmetics, medical devices, semiconductor cleaning equipment and other industries. Key products include dyestuffs, pigments, functional dyes, digital printing-related products, 3D printing-related materials, thermoplastic resins, thermosetting resins, automotive repair paints, conductive coatings, fluororesin parts, inorganic materials, synthetic plastic materials, plastic molding machines, molds and others.</p>	<p>Color Formers</p>  <p>Production and global sales of color formers (leuco dyes) used in thermal paper and thermal film applications, including tickets and receipts.</p> <p>Engineering Plastics</p>  <p>Sales of a wide range of functional resins used in office equipment, electric and electronic products, etc.</p>	<p>Colors & Advanced Processing</p> <p>Paper manufacturing, thermal paper, printing, print processing materials, office equipment, electronic equipment, 3D printing, packaging, cosmetics, hygiene products, medical products, home appliances, sheet and film products, liquid crystal, semiconductor components, colorants, dyestuffs, pigments, inks, paints, resins, and fiber processing</p> <p>Polymer Global Account</p> <p>Office equipment, games, electronics, consumer electronics, home appliances, building & construction, and packaging</p>
 <h2>Electronics Segment</h2> <p>»P64</p> <p>Sales of high-performance epoxy resins, semiconductor materials and equipment, precision abrasives and various functional components to the semiconductor, display and other electronics components and devices industries and the electronic equipment industry.</p>	<p>High-performance Materials</p>  <p>Manufacture and sales of high-performance materials used in the electronic components and optical display device fields essential to next-generation transportation services and communications infrastructure.</p> <p>Semiconductor-related Products</p>  <p>Providing encapsulants for semiconductors, photolithography materials, manufacturing equipment and wafer bumping services.</p>	<p>Electronics</p> <p>Electronic components, semiconductors, heavy electric machinery, displays, silicon wafers, LED lighting, automotive, aircraft, environment and energy</p>
 <h2>Mobility & Energy Segment</h2> <p>»P66</p> <p>Primarily selling products such as synthetic plastics, precision insert molded parts, surface materials, decorative film, optical film, various sensor devices, battery materials, photovoltaic batteries, rechargeable battery-related materials for the mobility interior and exterior, electric components, CASE-related and energy industries.</p>	<p>Car Electronics</p>  <p>Offering solutions for new materials, components and technologies for next-generation environmental applications.</p> <p>Home Energy Management Systems</p>  <p>Sale of home energy management systems (HEMS) using storage batteries and photovoltaic panels.</p>	<p>Mobility Solutions</p> <p>Automobiles, trains, aircraft, mobility, social infrastructure</p> <p>Energy</p> <p>Batteries, photovoltaic power generation, automobiles, electric components, construction, distribution, lighting, commercial facilities, public facilities, etc.</p>
 <h2>Life & Healthcare Segment</h2> <p>»P68</p> <p>Sales of raw materials for pharmaceuticals, cosmetics, in-vitro diagnostic reagents, enzymes, food ingredients, food additives, sports nutrition, premixes, additives, agricultural chemicals for pharmaceutical, cosmetics and food industries. The segment also sells cosmetics, health foods and beauty foods for consumers. Furthermore, radiation measurement service is provided to nuclear facilities, hospitals and research institutions.</p>	<p>Cosmetics Materials</p>  <p>Manufacture and sale of cosmetics ingredients and products.</p> <p>Food Ingredients</p>  <p>Manufacture and sale of food materials, sports nutrition and health food ingredients, such as functional saccharides and enzymes.</p>	<p>Life & Healthcare Products</p> <p>Pharmaceuticals, medical, diagnostic drug, fragrance, toiletries and healthcare industries</p> <p>Food Ingredients</p> <p>Food products, health food products, agriculture, fisheries, and livestock industries and related fields</p>

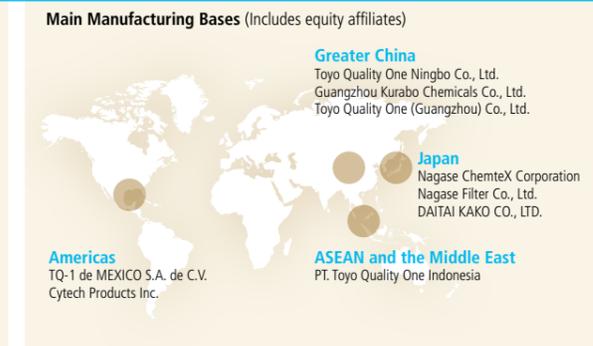
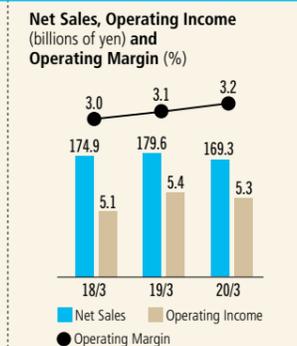
Breakdown of Key Indicators by Segment



Our Value
Story for Value Proposition
Management & Sustainability
Business Portfolio
Financial and Corporate Information



Functional Materials Segment



Performance Chemicals Business

Strengths

- Strong presence in the paint, ink and urethane industries (large market share, borderless global network)
- Technical knowledge and proposal capabilities, and the ability to respond organizationally based on an intimate knowledge of global market trends

Medium-term Issues

- Breaking away from a business structure centered on domestic markets (more aggressive expansion of overseas business)
- Development of sustainable products based around the environment, bioscience, and high performance

Efforts will center primarily on proposing and expanding sustainable products



Tamotsu Isobe
GM, Performance Chemicals Department

The Performance Chemicals Department is engaged in profit structure reforms in two areas—breaking away from the traditional business of raw material sales, and working to globalize the business. In the former, we are launching products closer to the downstream, such as Pat!naLock®, our new reactive paint. In the latter, we are focusing not simply on growing overseas sales, but on offering materials with even higher functional characteristics. The NAGASE Group’s unique functions, as demonstrated through the Nagase R&D Center, the Nagase Application Workshop (NAW) and our Coating Laboratory in India*, will provide a significant advantage in these efforts.

Reforms to our corporate culture are leading to an emphasis on smoother communication and enhanced risk management. The department’s next move will be in sustainability. We will be promoting proposals for and expansion of sustainable materials in areas such as biodegradable products, with a focus on keywords such as “environment,” “bio,” and “high function.”

The Digital Transformation (DX) trend in the chemical industry has yet to make much of an impact on the paint, ink and urethane industries, but is beginning to threaten the traditional raw material sales business. Going forward, we will work to move ahead of other companies in building a digital platform, streamlining marketing, and acquiring even more business.

* Officially called the Nagase Coating Laboratory Mumbai.

| Topics |

Combating Infrastructure Decay with New Pat!naLock™ Reactive Paint

Pat!naLock™ is a new, innovative reactive paint that prevents corrosion by forming a dense, protective layer of rust on the surface of iron and steel material through reactions with oxygen in the air. Because it is expected to protect structures from destructive rust that leads to decay, it is being widely adopted in power companies, communications companies and plant engineering equipment, which will face difficulty in securing adequate labor in the future.



Speciality Chemicals Business

Strengths

- Business developed around core technologies including composites, chemical synthesis and polymer technologies
- Unique technology-oriented sales and innovation capabilities

Medium-term Issues

- Development of new business through investment and business alliances
- Use of digital technology, enhancing eco-friendly products and services

Seize business opportunities in anticipation of “post-corona” changes



Noriaki Arashima
Executive Officer
GM, Speciality Chemicals Department

Our business fields operate near the upstream, where we supply materials in a wide variety of areas, from general products to high-function/high-value-added products (specialty products). The business environment is seeing the advance of DX (Digital Transformation) and the commodification of information, and market mechanisms are beginning to change as the brokerage function of trading companies becomes unnecessary and business shifts to direct transactions. Given these conditions, our value as a company will heavily involve how well we can provide our business partners with deep customer experiences.

What we view as issues going forward are fostering a sense of crisis as part of reforming our corporate culture, and reforming our profit structure through the creation of new businesses. For several years now we have been engaged in efforts to build an intellectual property-driven manufacturing business model rooted in academic knowledge, aiming for business that will contribute to enhancing environmental value. In terms of the environment, there is a particular increase in needs in the areas of wastewater and emissions, and we will focus on customer proposals in those areas.

We expect the post-corona era to bring a reassessment of supply chains. In China, an overconcentration in the upstream (manufacturing) can in some cases invite confusion through the suspension of plant operations and geopolitical risks; an important issue is thus how to offer customers proposals for risk diversification to ensure stable supply. Meanwhile, great strides are being made in work style reforms, which we see as offering business opportunities in related ICT* materials.

* 5G- and 6G-related base materials.

| Topics |

Launching an Antifoaming Agent Self-Diagnostic Website

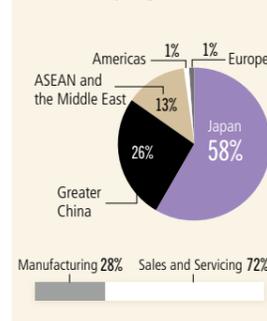
NAGASE carries a large number of silicone antifoaming agents that help solve the problem of foaming in a wide range of industries, with a track record of dealing with a variety of customers. With that background, in March 2020 we launched a “Silicone antifoaming agent self-diagnostic” website designed to offer customers the optimal antifoaming agent for their needs by having them answer a few questions. Our goal is to provide a platform that will assist customers in collecting information and making comparisons.



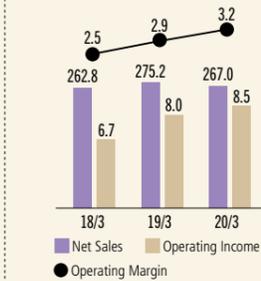


Advanced Materials & Processing Segment

Net Sales by Region and Field



Net Sales, Operating Income (billions of yen) and Operating Margin (%)



Main Manufacturing Bases (Includes equity affiliates)



Colors & Advanced Processing Business

Strengths

- Ability to offer various proposals of technologies, products, analyses and services by utilizing our Group companies and the Nagase R&D Center and Nagase Application Workshop (NAW)
- Very long business relationship and network of precious business partners and customers across a world wide range of industries

Medium-term Issues

- Developing new business opportunities in global market through our core trading activity
- Using our "Trading + α" function to improve our ability for solution of our business partners' issues

Unique business models designed by NAGASE



Kuso Ota
 Executive Officer
 GM, Colors & Advanced Processing Department

The department comprises four main product groups, including digital printing supply, colors and additives, functional film materials, and polymer products, along with a Planning Office.

In addition to the trade friction between the U.S. and China, all fields have been impacted by COVID-19, and we expect conditions to remain difficult in the current fiscal year.

We have staked out a midstream position that connects upstream seeds with downstream needs, putting us in an optimal position to identify the seeds of new business. We hope to tie these into "Trading + α," NAGASE's unique business model, by identifying, developing and expanding those businesses.

In the development phase, we will employ our ideas and ingenuity, linking them to NAGASE's strengths. If we can impress upon our staff the importance of this work, and allow them each to build the necessary experience, we can ensure everyone's participation in the "Identify, Develop, Expand" cycle. In turn, we expect this will lead to the changes in our profit structure and corporate culture that are the goal of ACE-2020, our mid-term management plan.

The world "with" and "after" the coronavirus is expected to bring an increase in new business opportunities through a variety of changes in the industries involving the department, including the hygiene, antibacterial, digital and environmental fields. Moving forward with a business model focused on keywords such as "ESG," "DX" and "ROIC," we will work steadily to contribute to the profit of both our business partners and the NAGASE Group.

| Topics |

Developing Low-endotoxin Products

Endotoxins are toxic substances which, on entering the body, can cause fevers, multiple organ failure and other issues. While there has long been a need for ways to remove these endotoxins, high refining costs have been an issue. Through a joint development project with Kumamoto University, Nagase ChemteX Corporation has established a unique endotoxin removal technology, and has developed both a low-endotoxin gelatin and a polysaccharide pullulan (see photo). We will be developing a variety of refining businesses utilizing this endotoxin removal technology as part of our participation in the medical field.



Polymer Global Account Business

Strengths

- A wide-reaching base of operations in the Asia-Pacific region
- Strong partnerships with global companies

Medium-term Issues

- Industry reorganization
- Technical innovation and response to digitalization

Utilize our global network to offer optimal proposals



Koichi Sagawa
 Executive Officer
 GM, Polymer Global Account Department

The department, which is primarily responsible for sales of plastics, operates primarily in the Asia-Pacific area, centered on Greater China and ASEAN. Problems between the U.S. and China that began in 2018, along with the impact of COVID-19, have spurred customers to reevaluate their supply chains. We plan to treat these changes as an opportunity, working with our talented national staff rooted in the region, with their experience and expert knowledge, to strengthen collaboration through our global network, which is our strength, and respond quickly to customer moves. We will also be proactive in offering proposals freed from conventional methods, in line with rapidly advancing technical innovation and the shift toward digitalization. In doing so, we recognize the importance of truly understanding our customers' needs, and whether we can tie that understanding to our ability to offer attractive solutions.

At the same time, we see the need to reduce environmental impact as a business opportunity. As global awareness of environmental problems increases, it will bring more opportunities in eco-friendly materials and business that utilizes them. We will work aggressively to advance efforts in biodegradable plastics, biomass plastics and mono-materials. As these moves multiply, the chemical industry will see a growing polarization between commodity and high-performance products, which we expect will bring further restructuring. We believe this will require us to reshuffle our portfolio as we keep an eye on trends.

In reforming our profit structure, efforts will utilize the technical capabilities of our Group manufacturing companies, continuing to focus on expanding on Denapolymer™, a unique, niche product as we work to enhance profits.

| Topics |

Denapolymer™ Meets Exacting Customer Demands

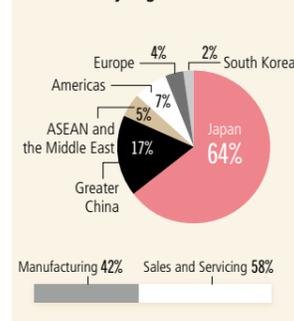
NAGASE combined its unique information gathering expertise with Group manufacturer Setsunan Kasei's plastic resin compounding technologies to promote Denapolymer™, a proprietary brand that Setsunan Kasei developed and manufactures. This product can meet requests and fulfill niche customer demands that present challenges to major resin manufacturers. We are also working to create a record of success for unique products, including functional masterbatches, eco-friendly resins and the HS80 Series of high-sliding polyethylene. Especially this HS80 Series realizes sheets and films with enhanced sliding properties and impact strength.



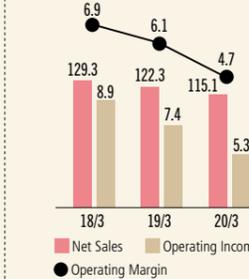


Electronics Segment

Net Sales by Region and Field



Net Sales, Operating Income (billions of yen) and Operating Margin (%)



Main Manufacturing Bases (Includes equity affiliates)



Electronics Business

Strengths

- Ability to offer complete solutions to customer needs
- A global network of development and manufacturing sites with unique technology

Medium-term Issues

- Addressing changing customer needs
- Creating sustainable business

Win by leveraging our strong areas in leading-edge technology fields



Takeshi Takada
Executive Officer
GM, Electronics Department

The Electronics Department provides complete solutions to business partners seeking high performance and functionality, fully leveraging the twin advantages of our trading company functions as well as manufacturing and development.

In the trading function, we not only provide functional materials for next-generation applications, but are moving ahead to create a sustainable business by building a new business model utilizing IoT technology. In the manufacturing and development function, we are expanding our global offering of advanced semiconductor packaging technology using liquid epoxy encapsulating materials developed by Nagase ChemteX Corporation, a core manufacturing company of the NAGASE Group, and precision processing technology using high-purity chemicals.

The electronics industry is easily affected by external risks, and in the short term will continue to see challenging business conditions. We take these changes as an opportunity to bring together the practical abilities of our trading function and the inventiveness of our manufacturing and development function, providing new value and services with the goal of building a strong business.

Utilizing our connections within the industry, and through ongoing dialogue with our business partners, we are moving beyond selling individual products and working to deepen our offerings in processes and technology. We are also exploring new business opportunities, focusing on solving issues in pre- and post-manufacturing processes and on areas that offer continuity with our existing business.

Outlook for Conditions Surrounding the Electronics Business

The operating climate for electronics-related businesses is severe, and while photolithography materials, electronic components, and epoxy resin products used in semiconductors all performed well in fiscal 2020, sales of display-related materials were sluggish. In fiscal 2021, we expect modified epoxy resins for mobile devices and heavy electrical machinery to be on par with the previous year, given the uncertain state of the market going forward, conditions overall will continue to be difficult. That said, the market for next-generation telecommunications (5G) is expected to grow, and will continue to be an area of focus for us.



Topics

Xenomax-Japan Co., Ltd. Begins Supplying High-heat-resistant Polyimide Film



Xenomax-Japan Co., Ltd., established as a joint venture with Toyobo Co., Ltd., completed construction of its head office plant and began shipping products in 2019. XENOMAX® polyimide film offers among the best dimensional stability performance in the world, with a stable coefficient of thermal expansion (CTE) in environments ranging from room temperature to as high as 500°C. Toyobo created this film by making the most of its highly heat-resistant polymer synthesis and film manufacturing technologies. The film can be adjusted to fit customer production lines up to G6 (1500 x 1850 mm) in size and applied to glass. It is being made available for use in next-generation devices including electronic paper, mini and micro LED, as well as for sensor base materials and semiconductors.

New Initiatives at Inkron Oy



Photo: EVG

● Collaboration with EV Group, maker of semiconductor manufacturing equipment

Inkron Oy of Finland, a NAGASE Group company, began a collaboration with EV Group ("EVG") of Australia, a maker of semiconductor manufacturing equipment, in the development and production of optical devices for augmented reality (AR) and mixed reality (MR) applications among other things. EVG provides products for the semiconductor and nanotechnology markets, and has the world's most advanced technology for Nanoimprint Lithography (NIL) used in transferring semiconductor chip circuit patterns. Through the combination of high-refractive-index materials developed by INKRON and EVG's advanced NIL system, we aim to advance the development of new optical materials, and offer solutions that will aid manufacturers of optical devices in expanding production and in the development of next-generation optical devices.



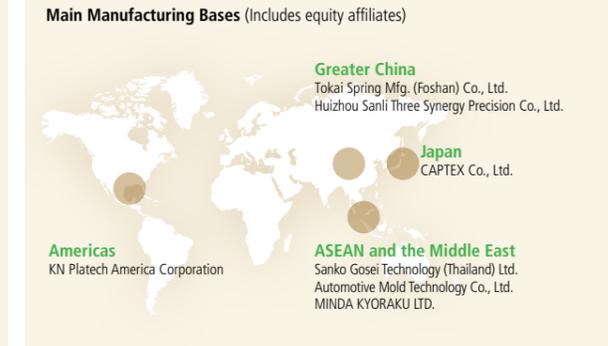
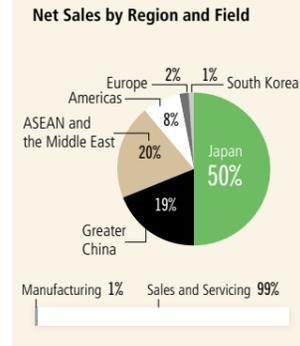
Photo: SCHOTT AG

● Four-way collaboration to develop components for next-generation wearable displays

INKRON has begun product development in a four-way collaboration with industrial glass manufacturer SCHOTT (Germany), WaveOptics (England), a manufacturer of optical components, as well as EVG. The work is aimed at developing a 300 mm glass wafer process that will enable mass production of optical waveguides that serve as a component in AR and MR wearable displays. Production will bring together the technical capabilities of the four companies, including INKRON's high-refractive-index nanoimprint coating material, high-refractive-index glass from SCHOTT, waveguide structure technology from WaveOptics and EVG's NIL technology. This product will reduce production costs and be able to meet ultra-high-precision standards. It is expected to serve as a base for next-generation AR and MR devices.



Mobility & Energy Segment



Mobility Solutions Business

Strengths

- A broad portfolio of products, from general purpose materials to products custom-made to meet the needs of our business partners
- The ability to utilize our global network to discover high-function materials, products and technologies, and to build a supply chain that can offer a stable supply of those items
- Solid relationships of trust with the technology development divisions of our business partners

Medium-term Issues

- Expansion of eco-friendly business (Development of new materials, technologies and services in anticipation of next-generation mobility)
- Offering a complete range of solutions involving mobility

Diverse solutions for all mobility needs



Hiroyuki Ueshima
Executive Officer
GM, Mobility Solutions Department

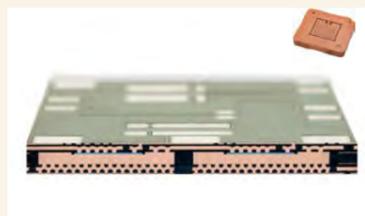
In addition to a global drop in automobile production starting in the second half of fiscal 2019, we were also affected by COVID-19, resulting in a difficult profit environment. Given the poor prospects going forward for a major expansion in automobile production worldwide, the Mobility Solutions Department will continue working to enhance profitability with a focus on two areas: expansion of coverage (new areas, new non-Japanese-owned customers, strengthening of sales in new mobility markets and improved density (an expanded portfolio of products supplied to each automobile, expansion of commercial rights to CASE*-related products, where future growth is expected). With the aim of realizing a low-carbon society, the department is also emphasizing the promotion of materials that involve lower environmental impact, electric-powered and weight-saving solutions; development of software, sensor devices and services for autonomous driving to improve safety; and providing interior and exterior materials and display-related components that offer a comfortable space. Through the global expansion of solutions for every area of mobility where people, things and data intersect—not only automobiles but aircraft, drones, factory automation, and ships as well—we will contribute to the creation of a blissful mobility society.

* CASE: An acronym for Connected, Autonomous, Shared and Services and Electrification.

Topics

Distribution Agreement Signed with German Printed Circuit Board Manufacturer

NAGASE has signed a distribution agreement for Japan with Schweizer Electronic AG ("Schweizer"), a German manufacturer of high-quality printed circuit boards. Schweizer products lead to improved performance and more compact, light-weight designs. As a result, in the automobile industry they are being considered for deployment in EV and HEV power control components and automated driving sensors, and NAGASE plans to offer and sell them to domestic manufacturers of automotive parts and industrial electrical equipment.



Energy Business

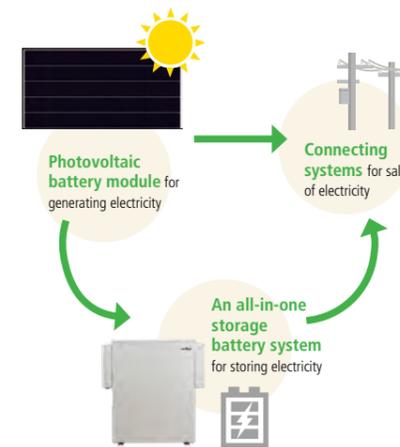
Strengths

- Ability to offer energy management systems centered on lithium-ion storage batteries and photovoltaic (PV) panels
- Ability to offer end-to-end proposals (encompassing planning, development, design, production, field engineering and post-sales maintenance)
- Utilization of Group sales channels

Medium-term Issues

- Creation and expansion of new energy businesses utilizing our proprietary sales and after-market networks

Creation of a solution-based business



The Energy Business Office handles products such as lithium-ion batteries, photovoltaic power generation modules, energy management systems (EMS) and optical wireless communication devices. Based on our vision of contributing to the creation of infrastructure for a smart society, our goal is to achieve innovation in the areas of residential, industrial, transportation and IT/communications infrastructure.

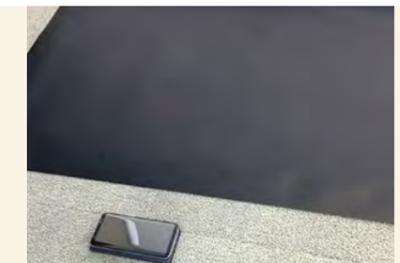
Going forward, energy supply, centered on electricity, will shift from a centralized to a decentralized model. That will increase demand for our products while also giving greater importance to the role of adjusting the balance of supply and demand, a business in which we will also be involved.

We are also focusing on business through our engineering subsidiary CAPTEX Co., Ltd., which is responsible for storage battery systems from the upstream through to the downstream. Lithium-ion batteries, essential to adjusting energy supply and demand, are increasingly being provided by inexpensive overseas manufacturers, and CAPTEX plays an important role in ensuring the safety of those products we handle. We have also begun working on ways to reuse used photovoltaic modules and lithium-ion batteries, an issue seen as a growing problem for society going forward. We will strive to go beyond a simple buy-sell model, creating a solution-based business that includes the development of LED optical wireless communications technology, a new method of communication that offers rich security features.

Topics

Investing in Developing Next-Generation Lithium-ion Batteries

In April 2020, we participated in an investment in APB Corporation, which develops and manufactures the All Polymer Battery. This is a type of next-generation lithium-ion battery which achieves higher reliability in emergencies and greater density when compared to conventional lithium-ion batteries. Because the technology allows cells to be scaled up in size, and the battery offers a high degree of flexibility in shape and size, it is expected to be adopted in a variety of fields and applications. We are also taking into consideration the future recyclability of this battery due to its innovative material and manufacturing technology.

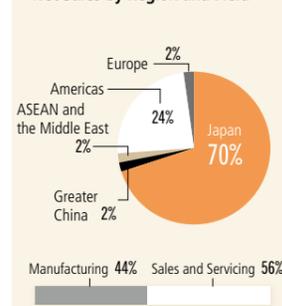


Sheet-type All Polymer Battery © APB Corporation

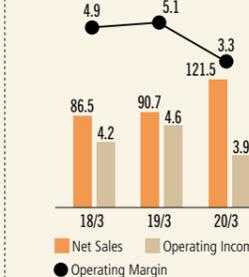


Life & Healthcare Segment

Net Sales by Region and Field



Net Sales, Operating Income (billions of yen) and Operating Margin (%)



Main Manufacturing Bases (Includes equity affiliates)



Life & Healthcare Products Business

Strengths

- Function of development proposal in the medical and pharmaceutical fields
- Proposal ability in compliance with pharmaceutical laws and regulations. (Pharmaceutical and Medical Act, etc.)

Medium-term Issues

- Expansion in the medical field, utilizing Medical Business Acceleration Team (MBAT).
- Investing in, developing and expanding companies based on unique technology in the fields of medical and pharmaceuticals

Aggressive product development with active investments in the medical and pharmaceutical fields



Yoshihiro Shimizu
GM, Life & Healthcare Products Department

Since the start of ACE-2020, the Mid-term Management Plan, the cosmetic business has performed steadily, driven in part by robust inbound demand from China and the rest of Asia. Since then, however, China-related demand has reached a peak, and COVID-19 has also begun to have an impact. We will respond to these changes by introducing new active ingredients that can be adapted to a wide range of cosmetic products. Expectations are particularly high for Glucosyl Naringin, an aging care cosmetic material manufactured by Hayashibara Co., Ltd. Marketing began in March 2020, and going forward the product will be made available worldwide.

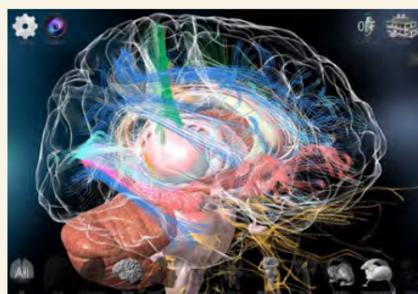
One area that has begun contributing to profit structure reform is the generic pharmaceuticals business. While we currently focus on small molecule drugs, the question is whether we can shift to medium to large molecule drugs that will increasingly gain the attention of the pharmaceutical industry. Through our collaboration with Karydo TherapeutiX, Inc., we have also begun offering a service that uses AI to predict pharmaceutical efficacies and side effects. We also established MBAT, Medical Business Acceleration Team (specializing in image-related technologies), within our department as we expected the medical field to be one of our next targets for business growth.

In reform of our corporate culture, we are already moving ahead with efforts to nurture a culture that takes on challenges, centered on our junior and mid-level employees.

| Topics |

Alliance with Kompath Inc., a Medical Device Development Venture

In May 2020, NAGASE entered into an agreement for a capital and business alliance with IT startup Kompath Inc., which has set up a joint development structure with the University of Tokyo Hospital. This alliance with Kompath, which is working to develop medical image processing and AI applications based on patented technology originally developed at the University of Tokyo, is intended to enable us to provide products and services that reflect the needs of those on the medical front lines. Our goal is to create innovation in the medical industry through the use of state-of-the-art technologies and contribute to better quality of life for patients.



Food Ingredients Business

Strengths

- Possesses comprehensive capabilities to offer proposals, not only in materials, but also manufacturing, processing and application proposals and regulatory functions
- A global manufacturing and sales network through Prinova

Medium-term Issues

- Development of new functional materials that can contribute to people's lives through deeper cultivation of business in the bio field
- Creating synergies between Prinova's business and NAGASE's food business such as Hayashibara

Leveraging materials from Group companies to bring synergies to the pursuit of business



Koichiro Kojima
GM, Food Ingredients Department

Established on April 1, 2020, the Food Ingredients Department is now developing the business of providing food additives and food ingredients to the food products industry that was previously the responsibility of the Food Material Department of the Life & Healthcare Products Department.

The NAGASE Group's food ingredients business started with the sale of enzymes through Nagase ChemteX Corporation. Later, we added functional saccharides from Hayashibara Co., Ltd., and in 2019 we acquired Prinova, whose strength lies in their expertise in handling and compounding vitamins and amino acids. The Food Ingredients Department was established to strengthen global expansion in line with these moves. Our business opportunity lies not with simply selling materials, but with a growing market that includes processing. While additives are sometimes shunned, we will work to develop those that lead to added value based on evidence of their effectiveness. We also look forward to expanding into sports nutrition through Prinova.

Going forward, we will continue to leverage the unique materials offered by NAGASE Group companies, using synergy to boost market demand. Other efforts we are considering include using the superior function of Hayashibara's TREHA® in preserving flavor to address the food loss issue, and contributing to achieving the SDGs through the shift from animal-based to plant-based food products.

| Topics |

Sports Nutrition Webinar Held

In May 2020, we held a webinar (a web-based seminar) on the topic of "Sports nutrition development trends and proposals for next-generation products." In addition to introducing Prinova, a leader in sports nutrition newly added to the NAGASE Group, the webinar also introduced cutting-edge trends in the U.S. and the Group's unique materials and services. A total of 117 individuals, including those in charge of development at food processing manufacturers, participated.



Regional Strategy

Note: Employees in the consolidated corporate group as of March 31, 2020

Built on a foundation of chemistry, the NAGASE Group is engaged in global business across a wide spectrum of industries. Utilizing wide-ranging expertise accumulated through that network and experience, we provide a fine-tuned response to the needs of each country and region.

Greater China

Base established: 1971/Number of employees: 1,095

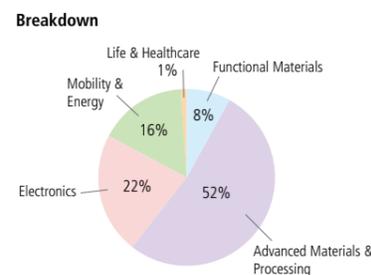
Organizing Key Group Resources under “One China”

Amid rapid changes to industrial structure and technological advances in China, we have organized and consolidated the NAGASE Group’s key resources (human resources and data) under the slogan of “One China.” These had previously been dispersed across China’s different regions. We set four focus businesses consisting of semiconductors, mobility, electronics, and life and health. We will continue dynamically growing our businesses through active investment.



Representative:
Masatoshi Kamada
Executive Officer
Greater China CEO
Nagase (China) Co., Ltd. CEO

Net Sales/187.5 billion yen (FY2020)



- Main Businesses**
- **Semiconductors** Leveraging the supply chain’s information gathering expertise and the local human resources, we are leading the expansion of Chinese businesses through win-win relationships as an overseas manufacturing business consultant.
 - **Mobility** We will help develop smart mobility in China by quickly responding to technological advances in the industry and providing value-added products and services.
 - **Electronics** In such fields as next-generation displays, 5G, and car electronics, we create high-value-added local communication businesses by uncovering needs using our strengths and providing solutions.

Topics The NAGASE Group has established the NAGASE Food Ingredients Food Development Center (Xiamen) in Amoy, Fujian Province, China. It will serve as a facility for developing recipes using the food ingredients of the NAGASE Group, including Hayashibara, and as a base for communications through presentations and seminars with customers. The center is aimed at expanding the presence of the NAGASE Group in the Chinese food industry in Fujian Province and other regions.

ASEAN and the Middle East

Base established: 1975/Number of employees: 742

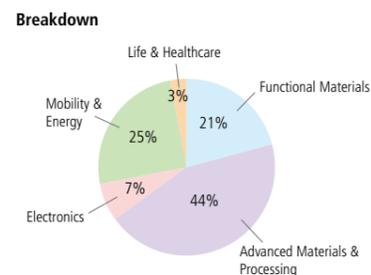
Promoting Business with a Diverse, Multi-national Staff

This business encompasses an area stretching from Australia in the east to Turkey in the west, and is centered primarily on plastics and automotive-related businesses. While historically the region has had few local companies leading key industries compared to other regions, major companies that cut across industries have begun to appear in each country. Through our ongoing efforts to develop a diverse national staff and through their leadership, we are working to bring high added value to existing business fields, and to promote the development of regionally relevant business through incursions into local companies.



Representative:
Eiroku Oki
ASEAN and India CEO
Regional Operating Centre Leader

Net Sales/110.6 billion yen (FY2020)



- Main Businesses**
- **Plastics** We are working to expand our base through alliances with Greater China, while exploring ways to build a sustainable business by addressing ESG and other issues.
 - **Mobility** We will promote a shift to high-value-added products and services related to EVs and CASE.
 - **Food Ingredients** We will pursue regional strategies through M&A and other means, while strengthening our ability to solve client problems using our application lab function and diverse products.

Topics In July 2020, the NAGASE Group opened its Regional Innovation Center in Singapore’s Science Park to serve as a base for providing solutions to customers in the regional food business. The facility is expected to provide a variety of functions, including recipe proposals based around products from Group companies, new application development, customer problem-solving, staff education and seminars for customers.

Europe

Base established: 1980/Number of employees: 258

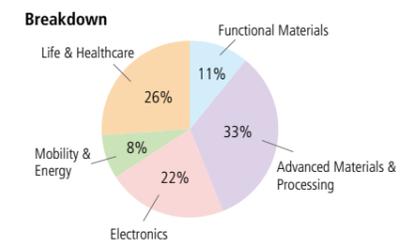
Using REACH as an Opportunity to Find Seeds of New Business

Europe has enacted its new REACH regulation on chemicals. The strict regulation of chemical imports based on REACH holds the promise of new business opportunities. Taking advantage of the strong technical capabilities of Group manufacturing companies and other Japanese suppliers, we will work to replace our portfolio of products with high-performance, low-environmental-impact offerings.



Representative:
Takahiro Okumura
Executive Officer
Energy Business Office
New Value Creation Office
Europe CEO

Net Sales/24.6 billion yen (FY2020)



- Main Businesses**
- **Pharmaceuticals** We will focus on exporting pharmaceutical raw materials from Europe to Japan.
 - **Chemicals** Advancing efforts to replace high-environmental-impact products with biochemicals.
 - **Mobility** Expanding sales of batteries and optical components for EVs.

Topics In business in Europe across all industries, efforts to reduce environmental impact—including eco-friendly, biodegradable products and curbs on CO₂ emissions—are gradually becoming mandatory requirements. Products that do not meet these demands will not be accepted no matter how cheaply priced, and we will be working to develop and expand products in line with these market changes.

Americas

Base established: 1971/Number of employees: 1,151

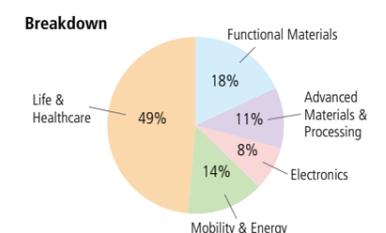
Aiming to Contribute to the Entire Group through the Creation of Synergies

Nagase Holdings America Corporation was established in 2019, and we are accelerating our efforts to strengthen governance and reform our profit structure. We are not only reevaluating our business portfolio and working to expand and streamline our organic business, but to create new businesses that will lead to regionally driven, medium- to long-term growth. By creating synergies through the networks of Prinova, which became a subsidiary in fiscal 2019, and by leveraging the R&D capabilities of IFC, we are striving to expand our business.



Representative:
Takayuki Masuda
Executive Officer
Americas CEO
Nagase Holdings America Corporation CEO

Net Sales/55.4 billion yen (FY2020)



- Main Businesses**
- **Pharmaceuticals** We will utilize the NAGASE Group network to contribute to realizing a sustainable world where people live with peace of mind.
 - **Mobility** We will offer high-value-added services in response to changes in market conditions.

Topics A Global Marketing Group has been set up within Nagase Holdings America Corporation, and will work with the Global Marketing Office in Japan to promote Digital Transformation (DX). We are working to expand business through the use of digital marketing, for instance, and also aim to provide comprehensive services that maximize customer experience value.

South Korea

Base established: 1985/Number of employees: 38

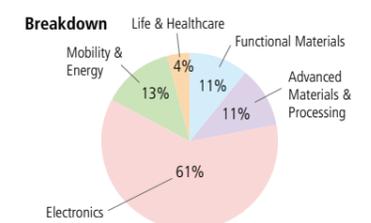
Identify and Invest in Sustainable Growth Fields

Based on sales of materials and components to leading South Korean industries, we are utilizing our Group network to support the overseas expansion of unique products from South Korean companies supporting that value chain. In the midst of global competition, we will identify and invest resources in fields where sustainable growth can be expected.



Representative:
Kenji Sakai
Nagase Korea Corporation CEO and COO

Net Sales/18.9 billion yen (FY2020)



- Main Businesses**
- **Electronics** We will focus on fields in which South Korea is globally competitive, centering on semiconductors.
 - **Businesses Related to South Korean Products** We will shift from a technology-driven approach in South Korea toward global expansion.

Topics Nagase Engineering Service Korea, which manufactures and sells chemical management systems for the semiconductor and display industries in South Korea, has seen strong sales of its equipment to domestic semiconductor manufacturers and display makers overseas, delivering the best results since the company was founded.