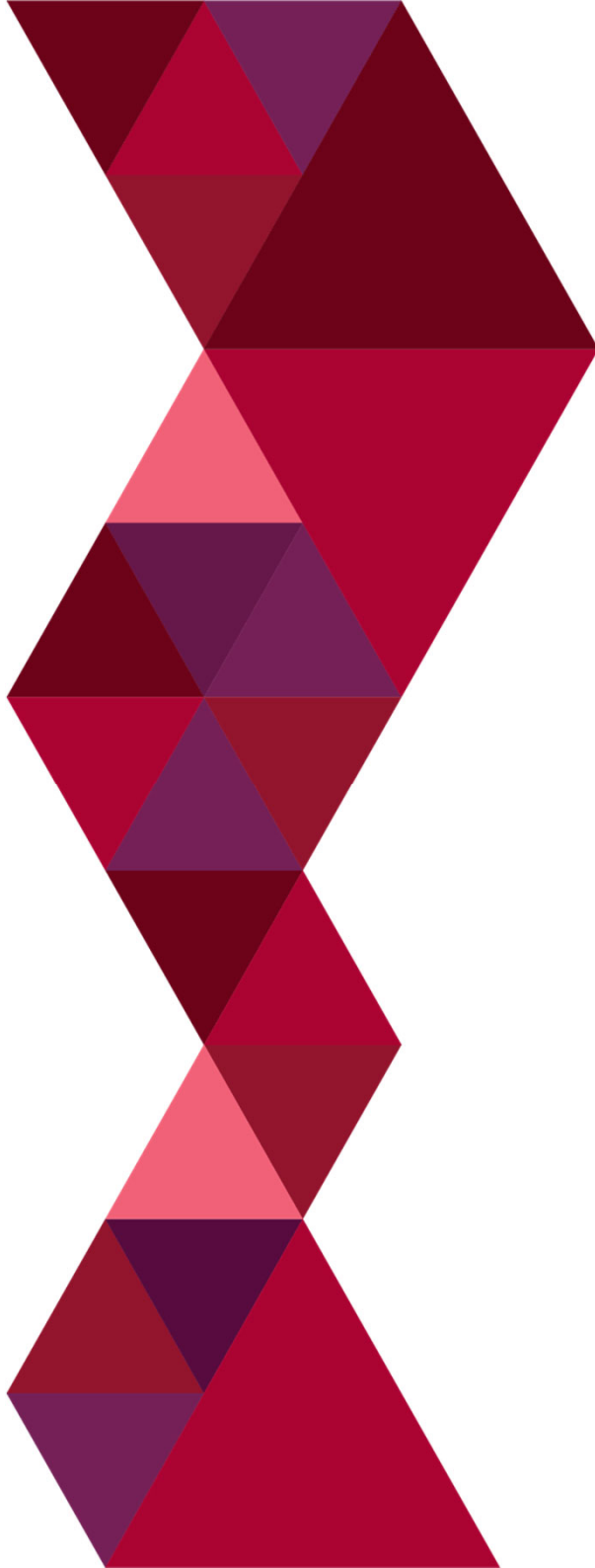


FYE March 2023 Results,  
FYE March 2024 Earnings Projection



# Consolidated statements income

- ▶ Gross profit : Overall profit increased, despite lower gross profit margin due to lower profitability at certain manufacturing subsidiaries, etc.
- ▶ Operating income : Gross profit increased, but profit decreased due to rising logistics costs and increased SG&A associated with increased activity
- ▶ Profit Attributable to owners of the parent : Profit Attributable to owners of the parent also decreased, reflecting lower operating income and lower ordinary income, mainly due to higher interest expenses

100 millions of yen

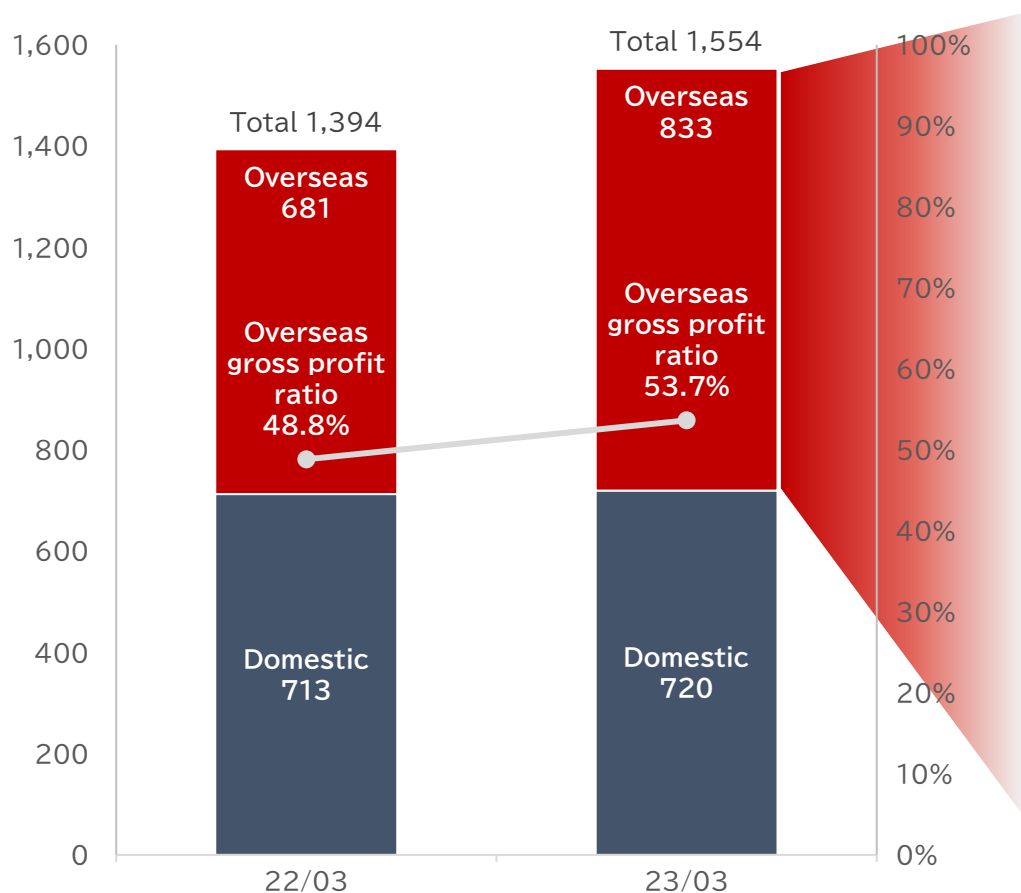
	22/03	23/03	Change	Vs.PY	Forecast	Achievement
<b>Sales</b>	7,805	9,128	+ 1,323	117%	—	—
<b>Gross profit</b>	1,394	1,554	+ 159	111%	1,590	98%
<GP ratio>	17.9%	17.0%	(0.8ppt)	—	—	—
<b>SG&amp;A expenses</b>	1,042	1,220	+ 178	117%	1,210	—
<b>Operating income</b>	352	333	(18)	95%	380	88%
<b>Ordinary income</b>	364	325	(39)	89%	390	83%
<b>Profit Attributable to owners of the parent</b>	259	236	(23)	91%	285	83%
US\$ Exchange rate (period average)	@ 112.4	@ 135.5	@ 23.1	Weak yen	@140.0	
RMB Exchange rate (period average)	@ 17.5	@ 19.7	@ 2.2	Weak yen	@20.0	

- ※ Offset to sales and cost of sales from revenue recognition standards: March 2022, -¥244.8 billion; March 2023, -¥268.9 billion
- ※ Impact from foreign exchange: Gross profit, +¥12.1 billion; Operating income, +¥2.9 billion

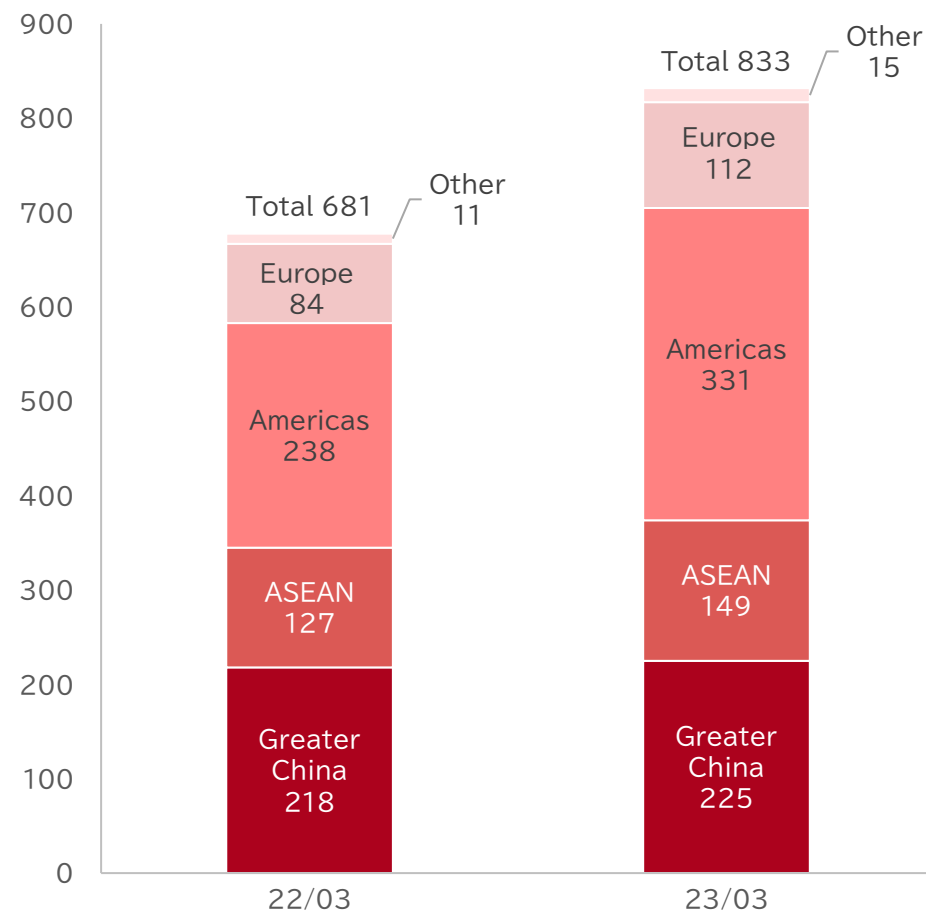
# Gross Profit By Region

- ▶ Higher profit both domestic and overseas
- ▶ Profit increased due to higher sales of raw materials and materials to the semiconductor industry in Japan and overseas
- ▶ Profit increased significantly in the Americas and Europe due to expansion in the Prinova Group businesses
- ▶ Profit increased in Greater China, despite the lockdowns, due to the weaker yen

Domestic & Overseas Gross profit(100 millions of yen)



Overseas gross profit By Region(100 millions of yen)

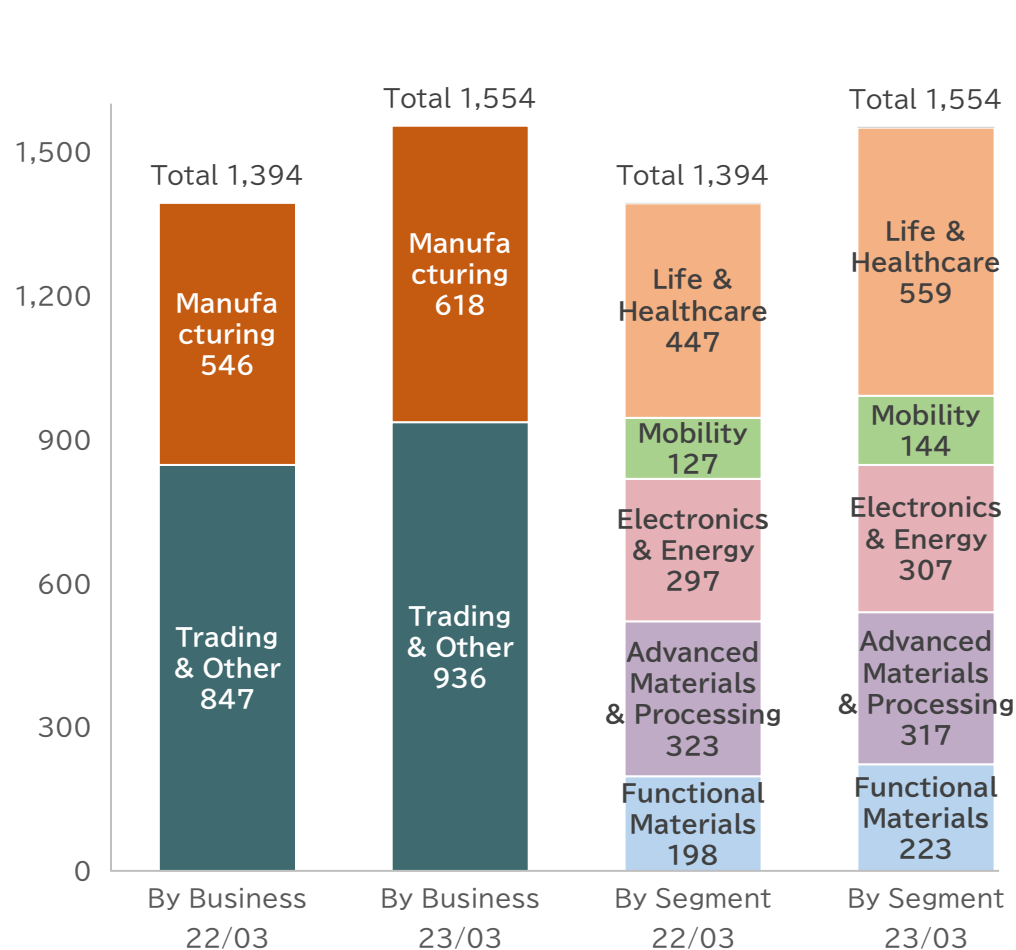


※Domestic figures under Domestic & Overseas Gross Profit include inter-regional adjustments

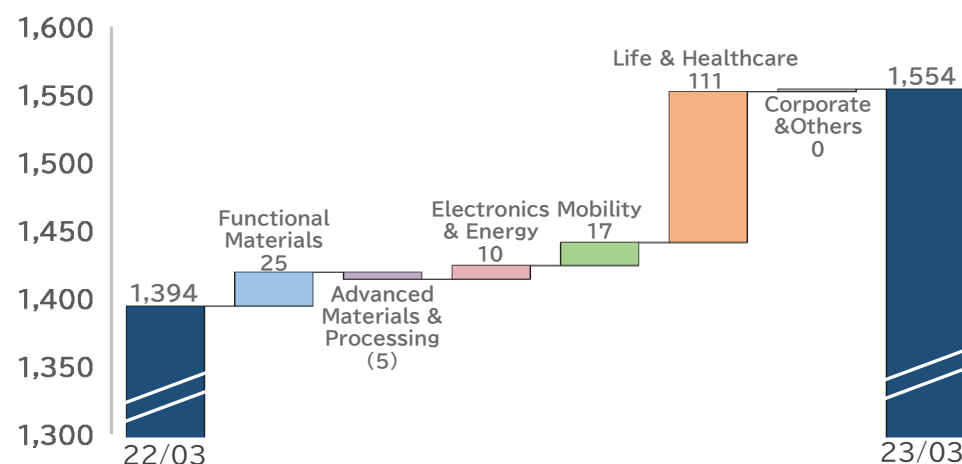
# Gross Profit By Business & Segment

- ▶ General increase in sales in Functional Materials, including sales of coating and urethane raw materials, as well as sales of raw materials for semiconductor-related products and other electronics industry products
- ▶ Profit decreased in part due to lower profitability in Advanced Materials & Processing, despite the positive impact of the weak yen, as sales volume of resins declined and the segment experienced a reactionary decline stemming from increased profit ratios in connection with soaring market conditions in the year-ago period
- ▶ Electronics & Energy sales increased for materials used in semiconductors
- ▶ Life & Healthcare recorded an increase in food ingredients business in the Prinova Group

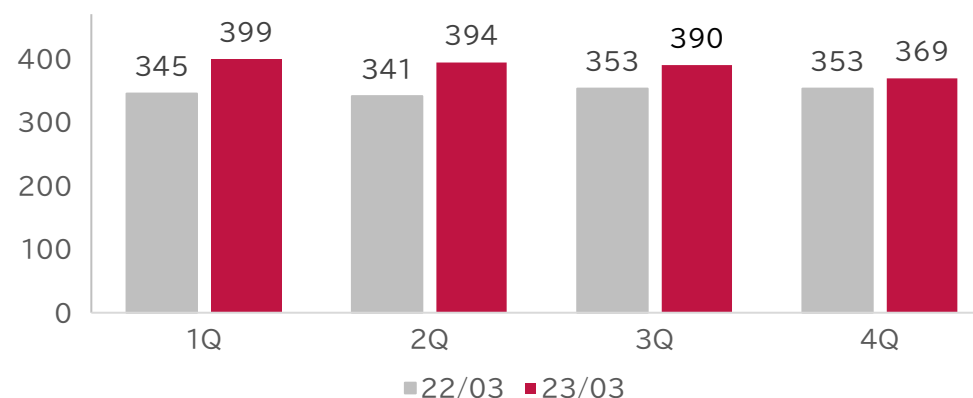
Gross Profit By Business & Segment (100 millions of yen)



Change in Gross Profit By Segment (100 millions of yen)



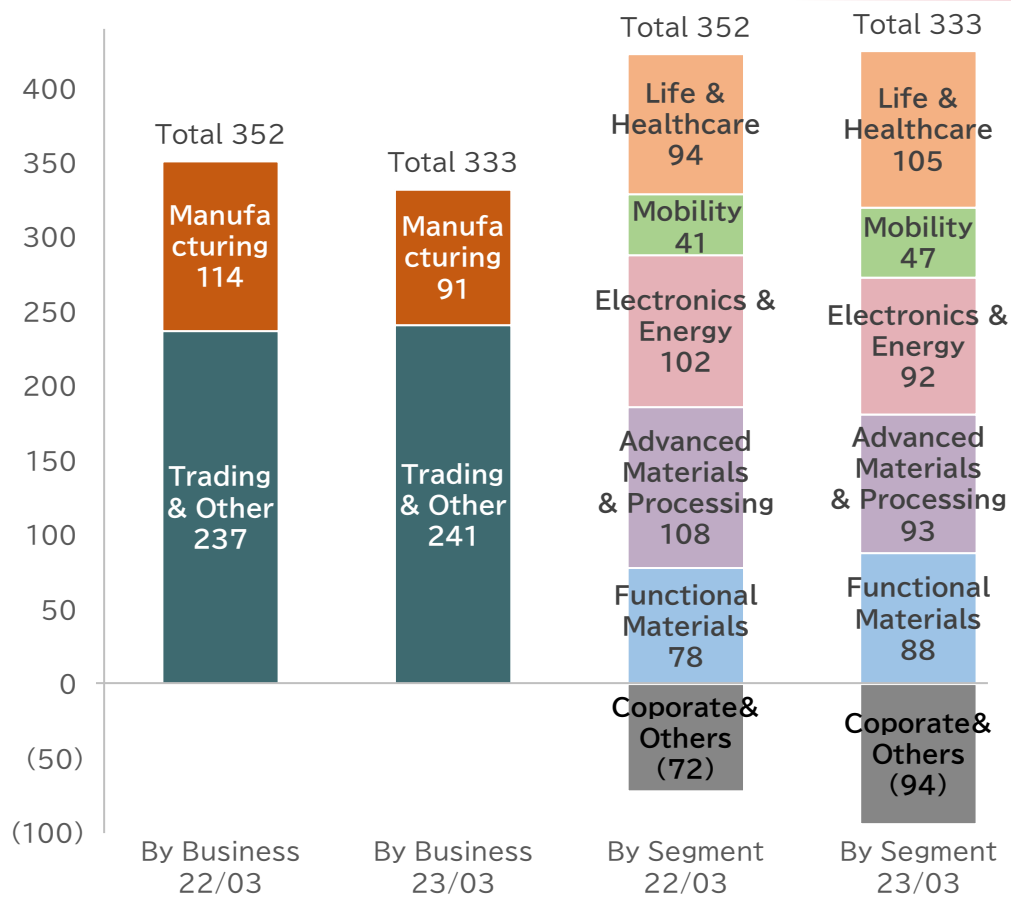
History of Gross Profit (100 millions of yen)



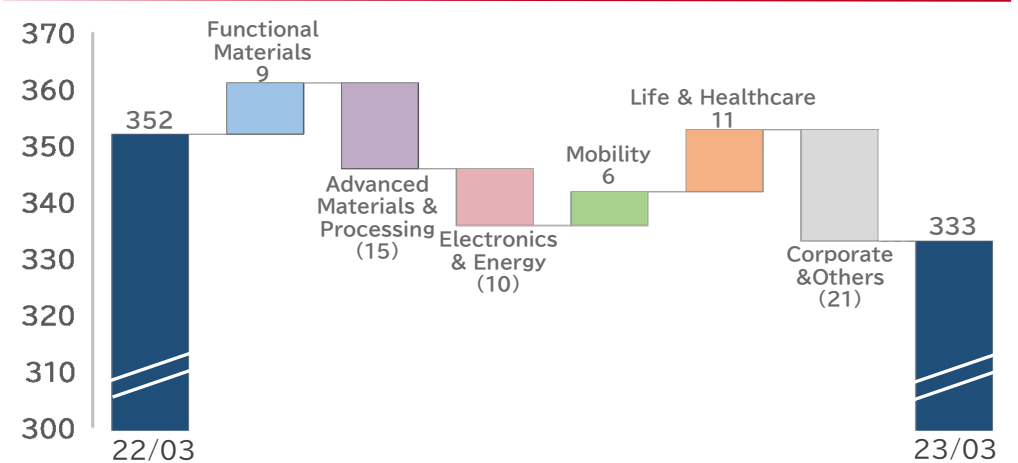
# Operating Income by Business & Segment

- ▶ Profit decreased overall due to an increase in selling, general and administrative expenses in connection with higher distribution costs and increased activities
- ▶ Advanced Materials & Processing recorded lower profit, partly due to a reactionary decline from the stemming from increased profit ratios in connection with soaring market conditions in the previous fiscal year, as well as higher selling, general and administrative expenses
- ▶ Life & Healthcare profit increased especially due to strong performance of food ingredients sales in the Prinova Group
- ▶ We continue to invest for sustainable future growth, including in DX-related areas

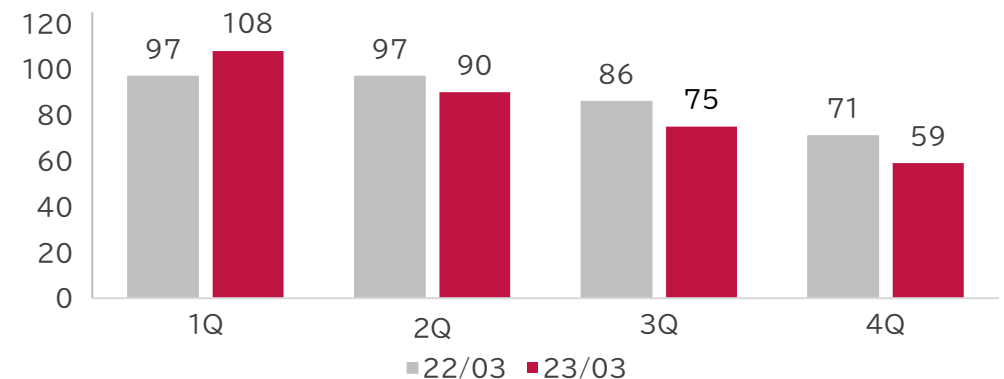
Operating Income by Business & Segment(100 millions of yen)



Change in Operating Income By Segment (100 millions of yen)



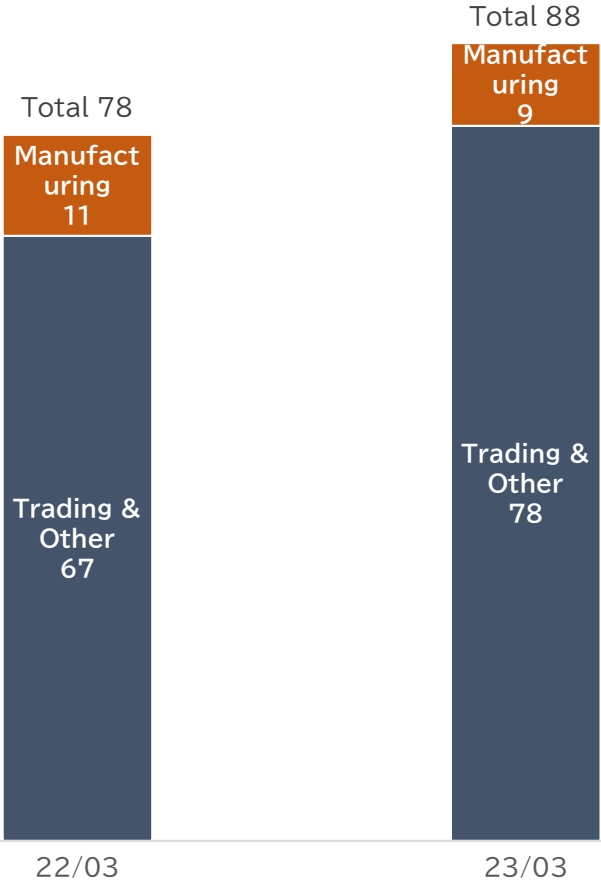
History of Operating Income(100 millions of yen)



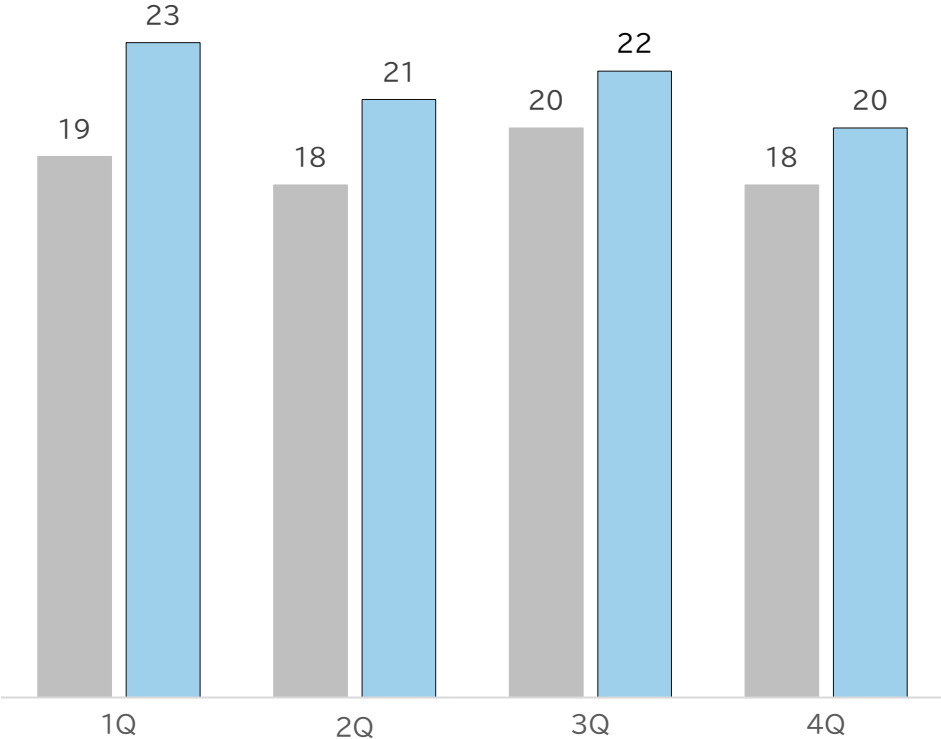
# Functional Materials Segment Operating Income Overview

- ▶ Sales of coating and urethane raw materials for the automobile and other industries increased, due in part to soaring market prices and the weaker yen
- ▶ Sales increased for raw materials for semiconductor-related products and other electronics industry products, as did sales of raw materials for industrial oil solutions and plastic materials
- ▶ Performance remained strong overall, and profit increased year on year

Operating income by business(100 millions of yen)



History of operating income (100 millions of yen)

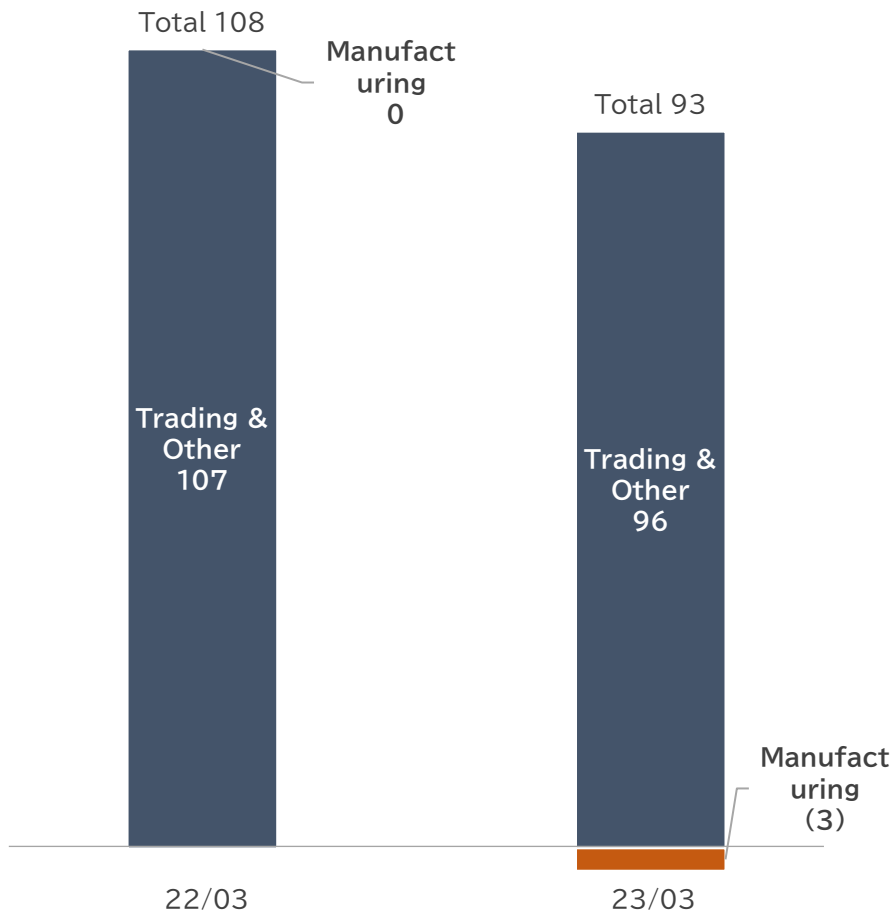


■ 22/03 ■ 23/03

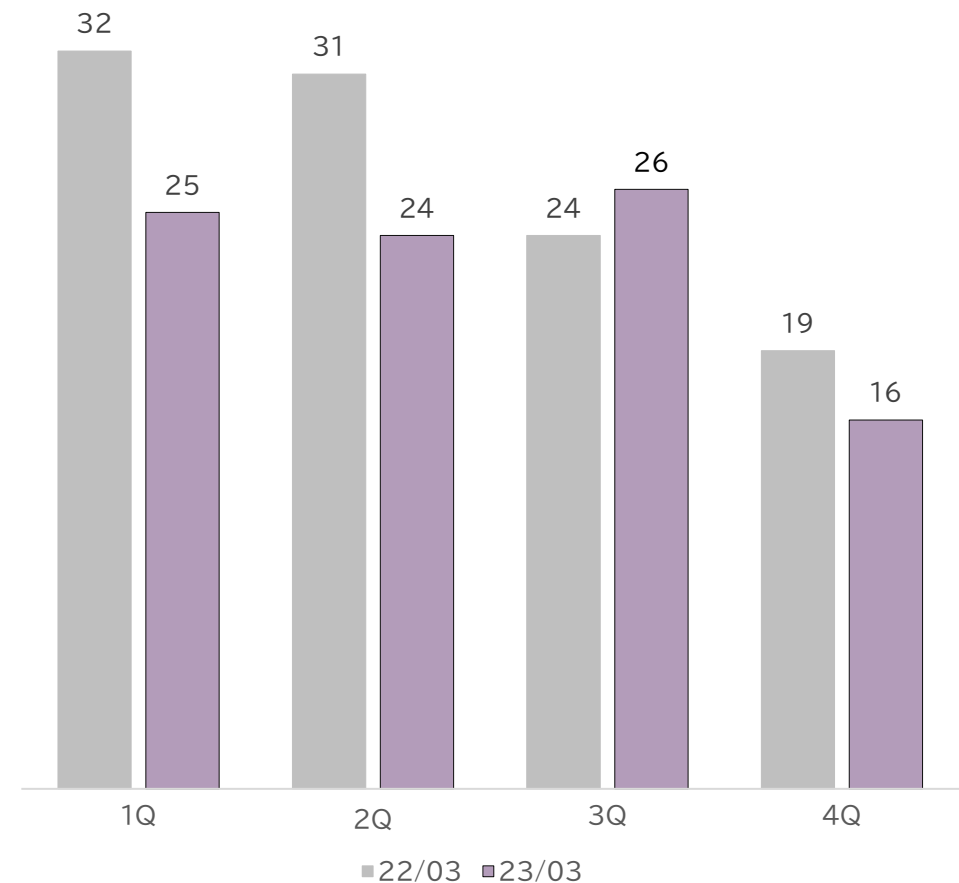
# Advanced Materials & Processing Segment Operating Income Overview

- ▶ Despite the impact of the weak yen on resin sales to the office equipment, appliance, and video game device market, profitability decreased due to a reactionary decline stemming from increased profit ratios in connection with soaring market conditions in the previous fiscal year
- ▶ Sales of digital print processing materials continued to be weak in manufacturing businesses
- ▶ Profit was lower year on year due to a decrease in resin sales, lower profitability in manufacturing businesses, and an increase in selling, general and administrative expenses

Operating income by business(100 millions of yen)



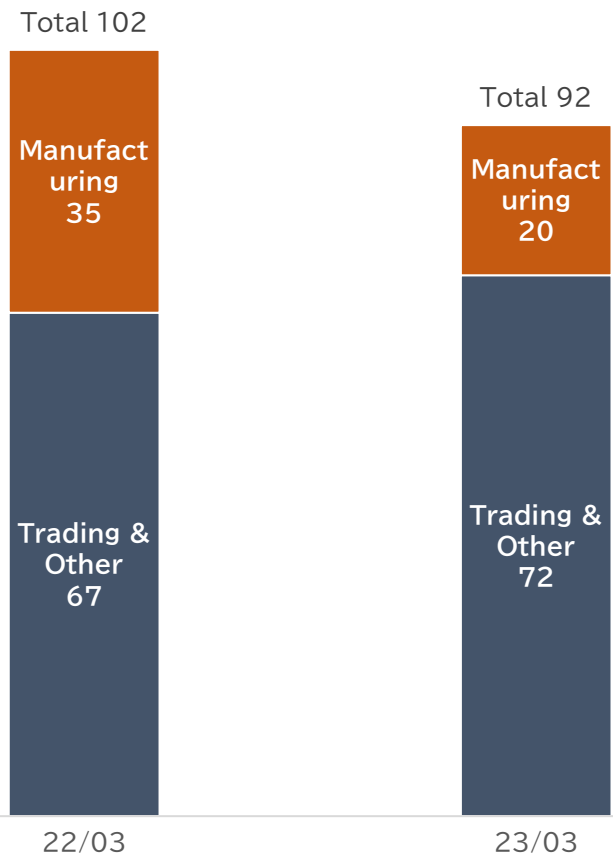
History of operating income (100 millions of yen)



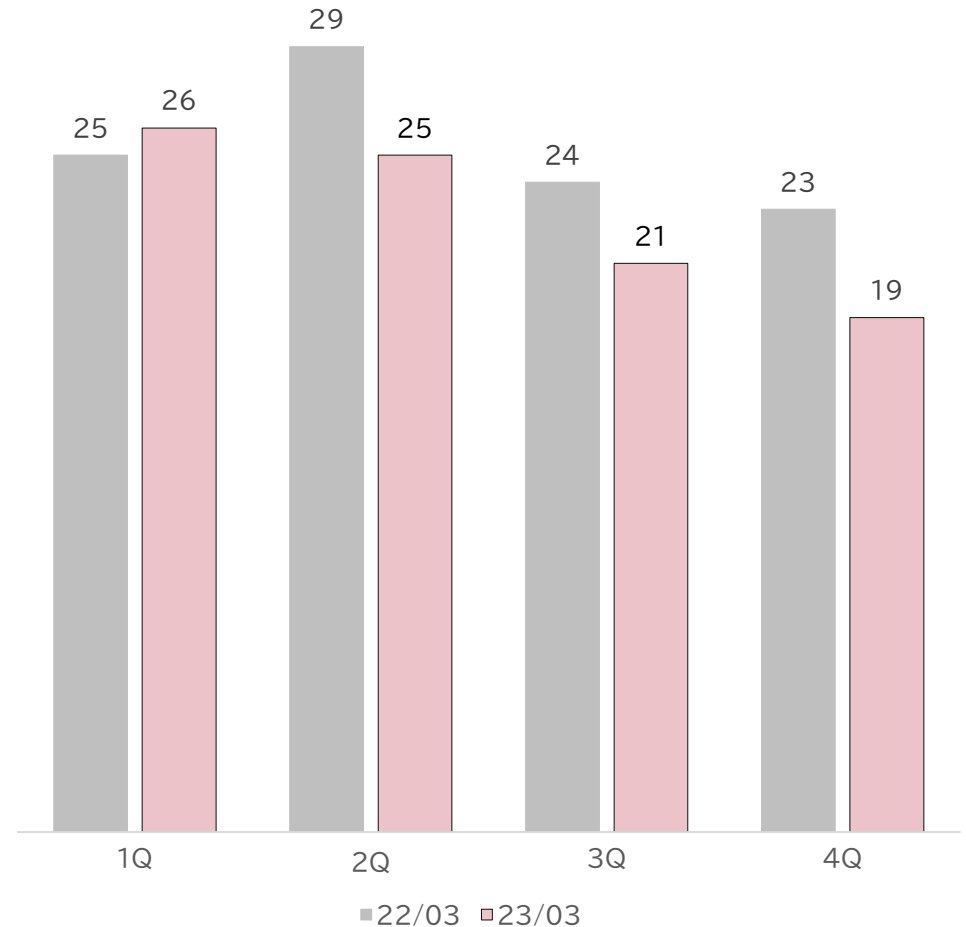
# Electronics & Energy Segment Operating Income Overview

- ▶ Sales increased for materials for semiconductors
- ▶ Sales of formulated epoxy resins was slow for semiconductor applications and mobile devices
- ▶ Profit decreased year on year due to the significant impact of weak sales in manufacturing businesses in connection with formulated epoxy resin-related products for mobile devices

Operating income by business(100 millions of yen)



History of operating income (100 millions of yen)



■ 22/03 ■ 23/03



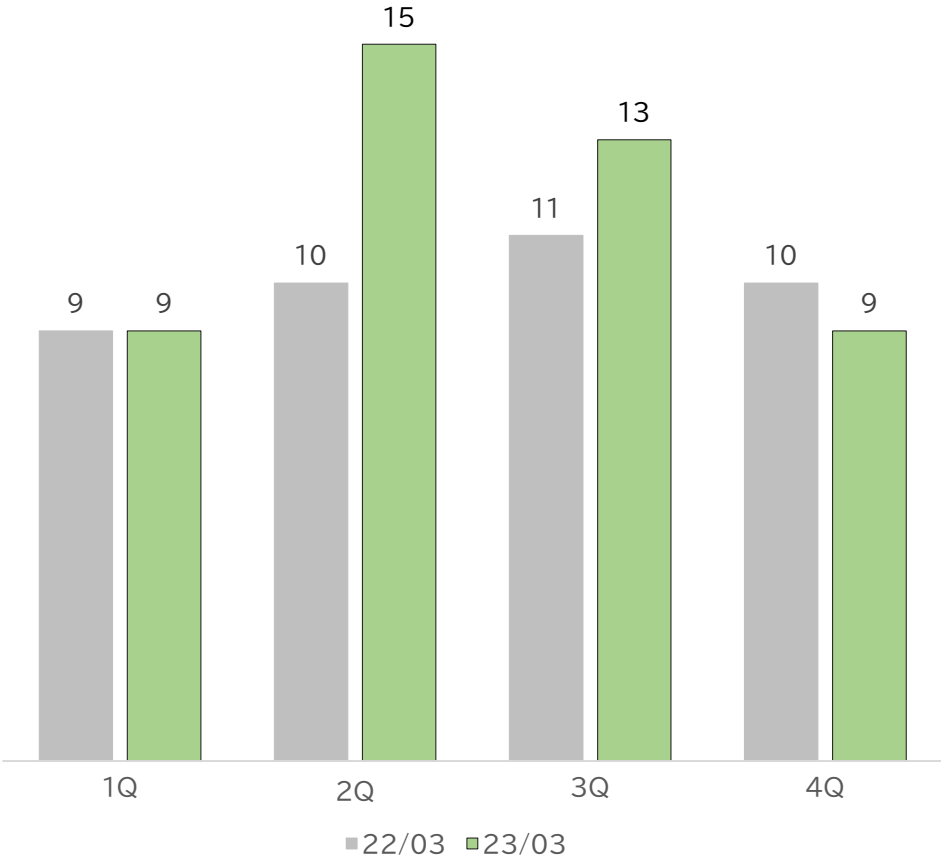
# Mobility Segment Operating Income Overview

- ▶ Sales increased for resins, mainly due to an increase in automobile production and the impact of the weakening yen
- ▶ Sales increased in functional materials and functional components for interior and exterior fittings and electrification
- ▶ Profit increased year on year due to generally strong sales

Operating income by business(100 millions of yen)



History of operating income (100 millions of yen)

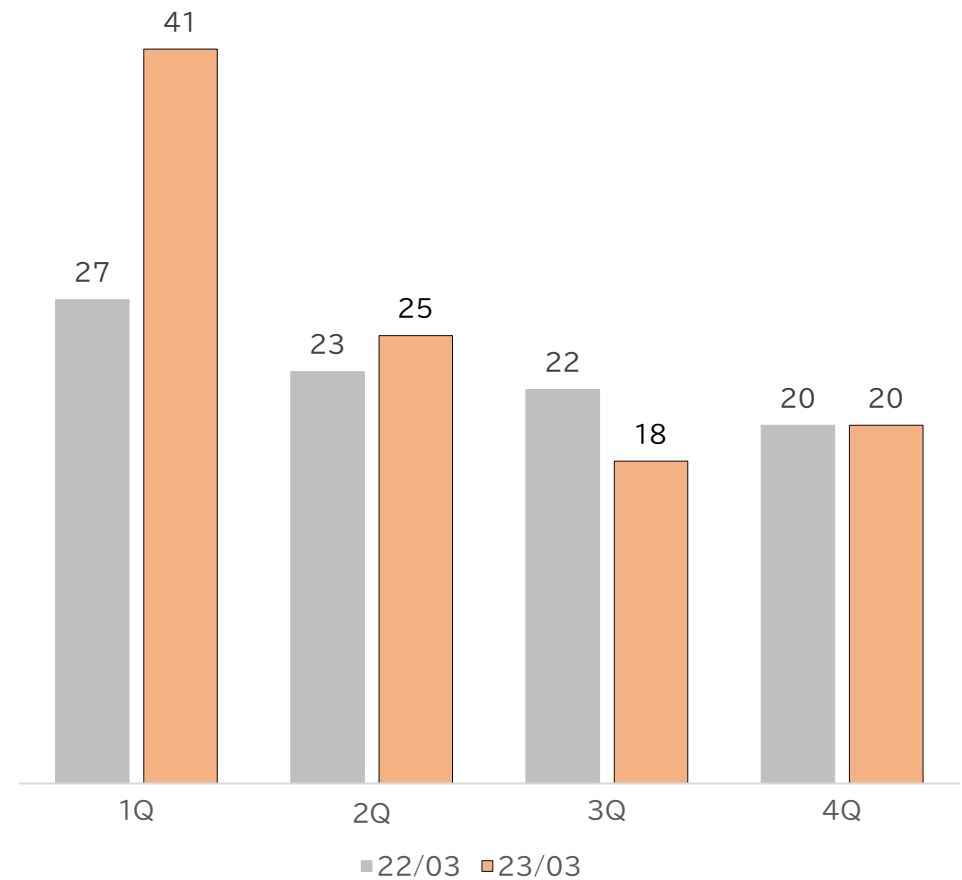
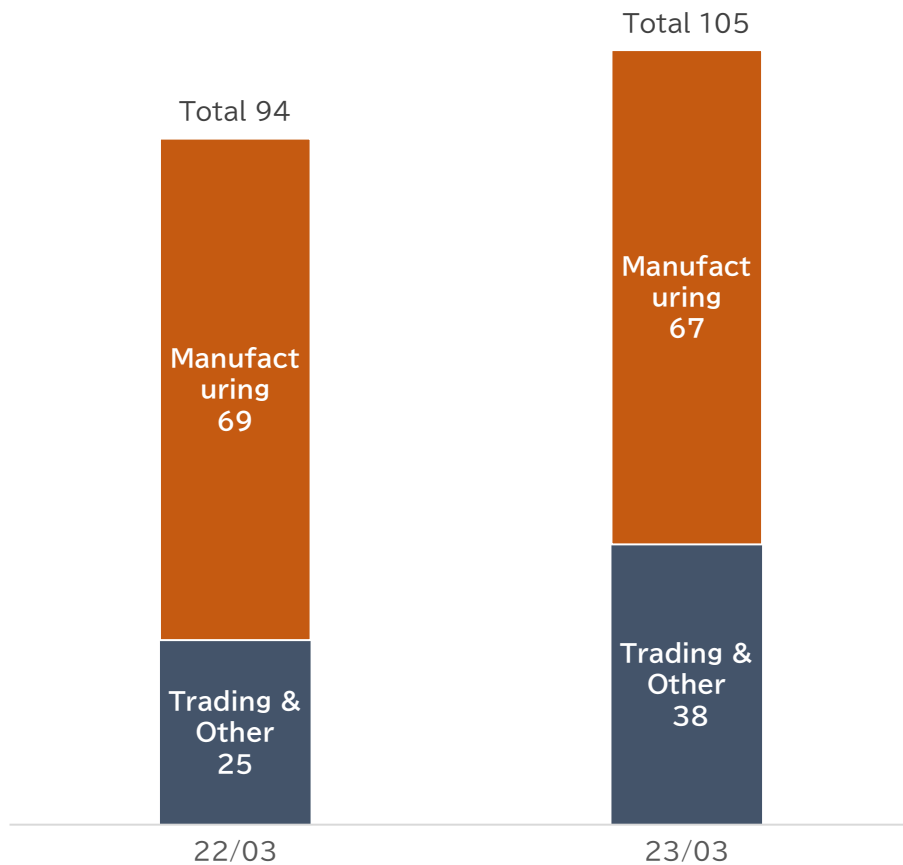


# Life & Healthcare Segment Operating Income Overview

- ▶ Prinova Group sales of food ingredients were particularly strong in the first quarter, and remained strong overall in the second quarter and later, despite some adjustments in supply and demand
- ▶ Prinova Group manufacturing and processing business profitability declined due to increased costs associated with the start up of a new plant
- ▶ Hayashibara sales of food ingredients (mainly TREHA™) increased; however, sales of cosmetics materials (mainly AA2G™) decreased due to lower demand overseas and other factors
- ▶ Profit increased, despite a decrease in profit at Hayashibara, mainly due to higher profits in the Prinova Group and strong performance in the trading company business related to pharmaceuticals and cosmetics

Operating income by business(100 millions of yen)

History of operating income (100 millions of yen)



■ 22/03 ■ 23/03

# State of Major Manufacturing Subsidiaries

- ▶ Nagase ChemteX: Lower profit due to weak sales of formulated epoxy resins for use in semiconductors and mobile devices
- ▶ Hayashibara: Lower profit due to lower sales of cosmetic material AA2G™ and lower profitability of food material TREHA™, stemming from higher raw materials and energy prices
- ▶ Prinova Group: Profit increased due to higher materials sales, even as manufacturing and processing businesses saw lower profitability due to costs associated with the start-up of a new plant

		100 millions of yen			
		22/03	23/03	Change	Vs.PY
Nagase ChemteX Corporation	Sales	289	253	(35)	88%
	Gross profit	89	68	(20)	77%
	Operating income	37	18	(19)	48%
Hayashibara Co.,Ltd.	Sales	265	281	15	106%
	Gross profit	108	103	(4)	96%
	Operating income	45	37	(7)	84%
	Goodwill amortization etc.	30	30	-	100%
	Operating income after amortization burden	14	7	(7)	50%
Prinova Group	Sales	1,209	1,927	718	159%
	Gross profit	218	312	93	143%
	Operating income	69	80	11	116%
	Goodwill amortization etc.	20	24	3	120%
	Operating income after amortization burden	49	56	7	114%

# Consolidated Balance Sheets

- ▶ Current assets: While levels remained high, accounts receivable and inventories began to decline from a peak in Q3
- ▶ Net assets: Increase, despite dividend payments and share buyback, due to profit for the period and an increase in foreign currency translation adjustments due to the weaker yen
- ▶ NET D/E ratio: Despite an increase compared to the end of the previous year, the increase in interest-bearing debt peaked, falling to 0.38 times from 0.40 times in the previous quarter

100 millions of yen

	22/03	23/03	Change	Details
Total Current Assets	5,142	5,301	158	
(Cash&deposits)	542	408	(133)	
(Trade account receivable)	2,898	3,021	122	
(Inventories)	1,575	1,697	121	
Total non-current assets	2,254	2,325	71	
(Investments in security)	756	697	(58)	
Total assets	7,397	7,626	229	
Current Liab.	3,078	2,862	(216)	Current Portion of Bonds(100), Short-term loans/CP +59
(Trade account payable)	1,490	1,404	(85)	
Non-current Liab.	767	980	213	Corporate Bonds+100, Lease long-term debt +87
Total Liab.	3,846	3,843	(3)	
Shareholders' equity	2,988	3,090	102	
Accum. Other Comprehensive Income	454	586	131	Translation adjustment+167, Appraisal Loss on Investment Securities(28)
Non-controlling interest	108	107	(1)	
Total net assets	3,550	3,783	232	
Working capital	2,983	3,313	330	
Shareholders' equity ratio	46.5%	48.2%	1.7%	
NET D/E ratio	0.33	0.38	0.05	

# Consolidated Cash Flows

- ▶ Operating CF : Net operating cash flow of ¥9.4 billion due to a decrease in working capital stemming from slowing sales in Q4 and inventory reductions
- ▶ Investing CF : Net cash used of ¥8.0 billion, despite proceeds from sales of investment securities, etc., mainly due to purchase of property, plant and equipment and intangible assets
- ▶ Financing CF : Net cash used of ¥17.2 billion, mainly due to dividend payments and share buybacks

	100 millions of yen	
	22/03	23/03
Operating CF	(177)	94
Investing CF	(76)	(80)
Free CF	(254)	13
Financing CF	272	(172)
Effects of exchange rate changes on cash and cash equivalents	29	30
Net change in cash and cash equivalents	+ 47	(128)
Depreciation and amortization of tangible and intangible assets	136	149
Fixed asset investment	(169)	(173)
Change in working capital	(631)	(200)

# FYE March 2024 Earnings Projection

- ▶ We expect raw materials and resource prices to remain high, due in part to the protracted conflict between Russia and Ukraine
- ▶ We expect the business environment to remain challenging, given inflation in many countries, consumer spending impacted negatively by tightening measures, and the suppression of economic activities
- ▶ Under these circumstances, we expect to see higher profit for the next full year due to steady growth in the automobile-related business, continued growth in the food-related business, and a recovery in profitability in our manufacturing businesses, which faced a difficult situation in the previous fiscal year

100 millions of yen

	23/03 Actual	24/03 Forecast	Change	Vs.PY
<b>Sales</b>	9,128	9,580	451	105%
<b>Gross profit</b>	1,554	1,710	155	110%
<b>&lt;GP ratio&gt;</b>	17.0%	17.8%	+0.8ppt	-
<b>SG&amp;A expenses</b>	1,220	1,365	144	112%
<b>Operating income</b>	333	345	11	103%
<b>Ordinary income</b>	325	326	0	100%
<b>Profit attributable to owners of the parent</b>	236	240	3	102%
US\$ Exchange rate (period average)	@ 135.5	@ 135.0		
RMB Exchange rate (period average)	@ 19.7	@ 20.0		

※Impact on operating income of 1 yen change in exchange rate: US\$ approx. 100 million yen, RMB approx. 400 million yen

# FYE March 2024 Earnings Projection By segment

- ▶ We expect Functional Materials and Mobility to remain firm, mainly in response to an increase in automobile production volume
- ▶ We expect higher profit in Advanced Materials & Processing to increase, driven mainly by a recovery in resin sales volume (declined in the previous year due to lockdowns in China) and an improvement in the earnings of our manufacturing subsidiaries
- ▶ We expect higher profit in Electronics & Energy, mainly due to recovery in sales of formulated epoxy resins for mobile devices and other products
- ▶ We expect higher profit in Life & Healthcare, driven mainly by full-scale operations at the new Prinova Group plant engaged in sports nutrition contract manufacturing, a return to profitability at Hayashibara, etc.
- ▶ We expect Others & Corporate to be impacted by increased development costs for future profits and increased amortization of retirement benefit actuarial differences

100 millions of yen

		23/03 Actual	24/03 Forecast	Change	Vs.PY
Functional Materials	Sales	1,120	1,150	29	103%
	Gross profit	223	229	5	102%
	Operating income	88	89	0	101%
Advanced Materials & Processing	Sales	2,650	2,700	49	102%
	Gross profit	317	343	25	108%
	Operating income	93	110	16	118%
Electronics & Energy	Sales	1,369	1,500	130	110%
	Gross profit	307	338	30	110%
	Operating income	92	106	13	114%
Mobility	Sales	1,255	1,356	100	108%
	Gross profit	144	156	11	108%
	Operating income	47	51	3	106%
Life & Healthcare	Sales	2,731	2,873	141	105%
	Gross profit	559	643	83	115%
	Operating income	105	113	7	107%
Corporate&Others	Sales	0	1	0	122%
	Gross profit	1	1	(0)	62%
	Operating income	(94)	(124)	(29)	—
Total	Sales	9,128	9,580	451	105%
	Gross profit	1,554	1,710	155	110%
	Operating income	333	345	11	103%

# FYE March 2024 Earnings Projection of Major Manufacturing Subsidiaries

- ▶ Nagase ChemteX: We expect formulated epoxy resin products for mobile devices to recover beginning in the second half of the year; however, the impact of integrating fermentation and enzymes business with Hayashibara and the likelihood of increased fixed costs will limit the extent of profit growth
- ▶ Hayashibara: We expect a significant increase in profit due to the full-year contribution of price revisions in response to increased raw materials and utility costs, as well as increased sales of AA2G™, a cosmetic material for overseas markets
- ▶ Prinova Group: We expect market declines and lower demand in sales of food ingredients, but profits should increase due to the full-scale operation of the Utah plant that conducts contract manufacturing for sports nutrition products

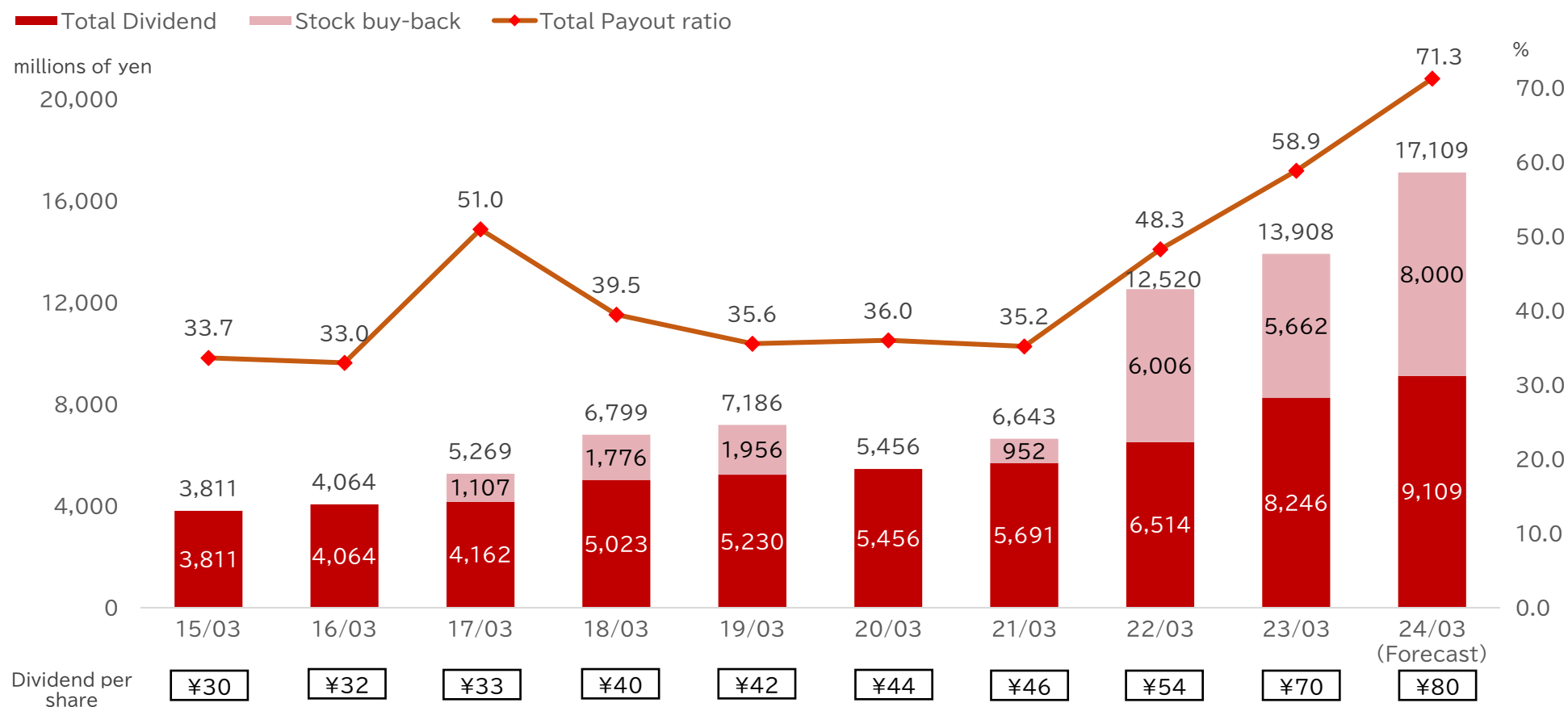
100 millions of yen

		23/03	24/03 Forecast	Change	Vs.PY
Nagase ChemteX Corporation	Sales	253	252	(1)	99%
	Gross profit	68	71	2	104%
	Operating income	18	20	1	110%
Hayashibara Co.,Ltd.	Sales	281	367	85	131%
	Gross profit	103	131	27	127%
	Operating income	37	50	12	133%
	Goodwill amortization etc.	30	30	-	100%
	Operating income after amortization burden	7	19	12	275%
Prinova Group	Sales	1,927	2,035	107	106%
	Gross profit	312	367	54	118%
	Operating income	80	84	3	105%
	Goodwill amortization etc.	24	24	0	103%
	Operating income after amortization burden	56	59	3	106%



# Shareholder Returns

- ▶ We plan to pay ¥70 per share for the full year, consisting of an interim dividend of ¥30 per share and a year-end dividend of ¥40 per share, ¥10 per share higher than our originally planned year-end dividend of ¥30 per share for FYE March 2023
- ▶ Based on policy under **ACE 2.0**, we plan to increase dividends per share by ¥10 to an annual dividend of ¥80 per share in FYE March 2024 (representing a 14th consecutive year of dividend increases)
- ▶ We resolved to repurchase ¥8.0 billion of treasury stock in May 2023, and we expect to achieve a total return ratio of 71% in FYE March 2024 (repurchase period scheduled between May 2023 and December 2023)



※ 23/03 year-end dividend to be submitted for approval to the 108th general meeting of shareholders scheduled for June 2023.

\*We plan to announce revised ACE 2.0 KGIs, KPIs, etc., in our Q2 results meeting as we move forward with QUICK WIN.



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■NAGASE Group Investor Relations Website:

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

These presentation materials contain projections based on forward-looking assumptions, forecasts, and plans as of May 26, 2023. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.