

FY2024 Third Quarter Financial Briefing

NAGASE&CO.,LTD.

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*Embracing Authenticity,
Embracing Change*

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Ikemoto, Representative Director, will now present.

Good morning, everyone.

I am Ikemoto Representative Director of NAGASE & CO., LTD.

Let me begin the presentation.

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<References>

- ✓ Sales, Gross Profit, and Operating Income by Quarter (Before Allocation of Corporate & Others)
- ✓ Past Materials

Consolidated Statements Income

- ▶ Gross profit was the highest ever for the cumulative consolidated third quarter; gross profit margin improved across all business segments
- ▶ Operating income reached a record high in the cumulative consolidated third quarter and operating income margin improved, despite higher general and administrative expenses, including selling and personnel expenses stemming from increased logistics costs
- ▶ Extraordinary gains or losses includes loss on withdrawal from the glass substrate thinning business in China (approx. 2.0 billion yen), gain on sales of strategic cross-shareholdings (approx. 2.7 billion yen), and gain on sales of fixed assets (approx. 2.1 billion yen).

100 millions of yen

	FY2023 3Q	FY2024 3Q	Change	Vs.PY	Forecast	Achievement
Sales	6,777	7,180	403	106%	9,400	76%
Gross profit	1,214	1,374	159	113%	1,800	76%
<GP ratio>	17.9%	19.1%	1.2ppt	—	19.1%	—
SG&A expenses	984	1,064	79	108%	1,435	—
Operating income	230	310	79	135%	365	85%
<OP ratio>	3.4%	4.3%	0.9ppt	—	3.9%	—
Ordinary income	231	307	75	132%	352	87%
Profit Attributable to owners of the parent	180	217	37	121%	280	78%
US\$ Exchange rate (period average)	@ 143.3	@ 152.6	@ 9.3	Weak yen	@ 148.0	
RMB Exchange rate (period average)	@ 20.0	@ 21.2	@ 1.2	Weak yen	@ 20.0	

※ Offset to sales and cost of sales from revenue recognition standards: FY2023 3Q -¥205.3 billion, FY2024 3Q -¥209.3 billion
 ※ Impact from foreign exchange: Gross profit, +¥5.1 billion; Operating income, +¥0.9 billion

I will start with the consolidated statement of income.

As you can see, the results are very high in all phases, which are gross profit, operating income, and ordinary income.

Operating income was JPY31 billion, an increase of JPY7.9 billion or 35% YoY. Ordinary income was JPY30.7 billion, up JPY7.5 billion or 32% YoY. Gross profit improved in all business segments, with an overall profit margin of 19.1%. This is 1.2 point increase YoY.

Operating income, as I mentioned earlier, is currently 85% of the full-year forecast of JPY36.5 billion, which is favorable. This is partly due to the fact that there are still many unexecuted expenses, but in addition to the strong performance of the overall business, the withdrawal from the colorformer business, which was unprofitable in the previous fiscal year, and the reduction of losses have contributed to this result.

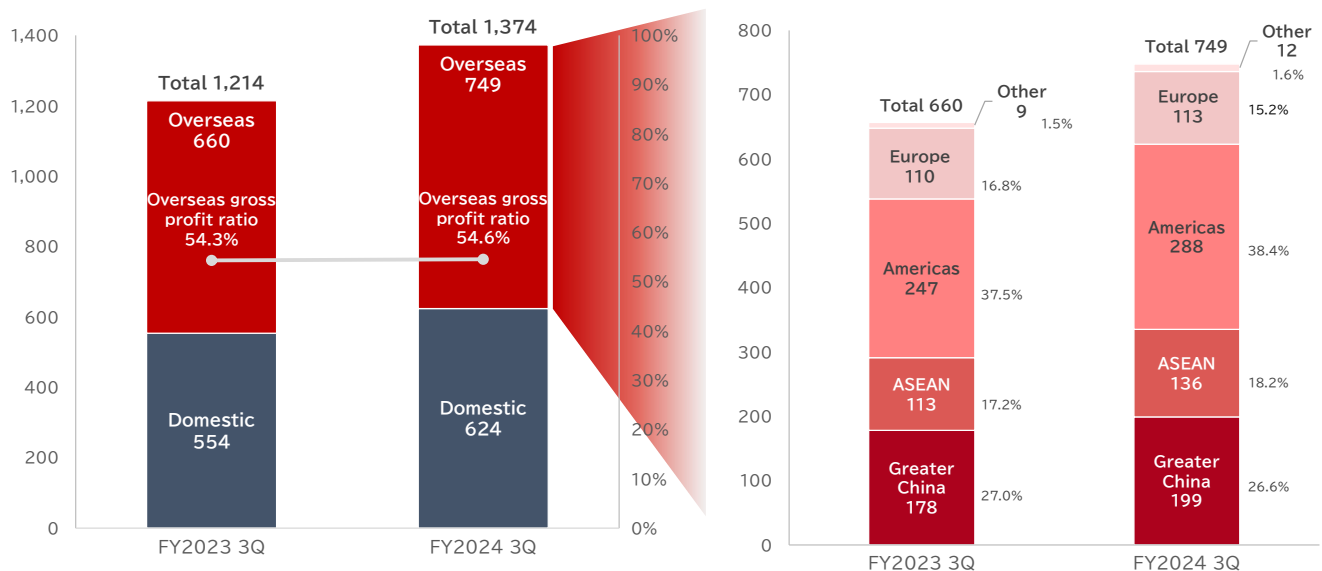
In addition, as extraordinary income/loss, we have included a loss on withdrawal from the glass substrate thinning business in China, which we decided to withdraw from in FY2020, amounting to approximately JPY2 billion. In addition, a gain of approximately JPY2.7 billion from the sale of strategic cross-shareholdings and a gain of approximately JPY2.1 billion from the sale of fixed assets, including land and other assets were recorded.

Gross Profit by Region

- ▶ Higher profit both domestic and overseas
- ▶ Increase in domestic business sales, due to higher sales (including exports) of raw materials and formulated epoxy resins for semiconductor industries
- ▶ Profits increased due to impacts of the weakening yen overseas, higher sales of food ingredients (mainly in Europe and the U.S.), and higher sales of resins in ASEAN countries

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

This is gross profit by region.

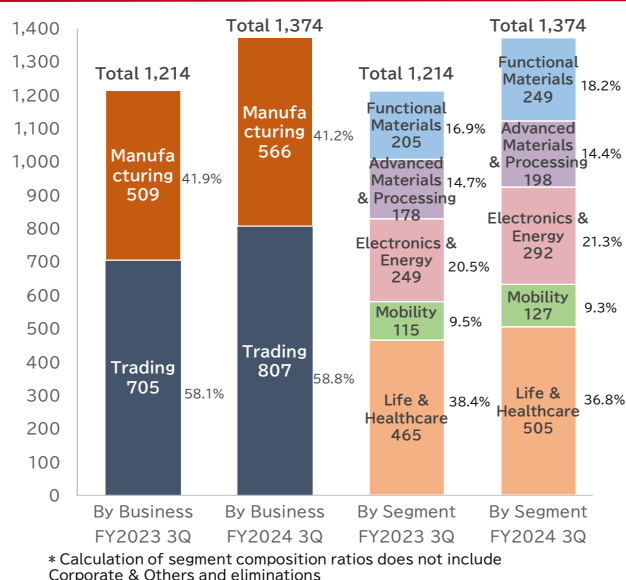
Overseas sales have increased slightly. While both domestic and overseas results were favorable, domestic profit increased due to such factors as increased sales of raw materials, especially to the semiconductor industry, and Nagase ChemteX's formulated epoxy resins.

Overseas, although the depreciation of the yen had some impact, profit increased by JPY4.1 billion in the Americas. This was due to strong sales of food ingredients in the Prinova business. In the ASEAN, profit increased JPY2.3 billion due to the contribution of resin sales. In Greater China, profit increased by JPY2.1 billion, largely due to the strong performance of semiconductor materials.

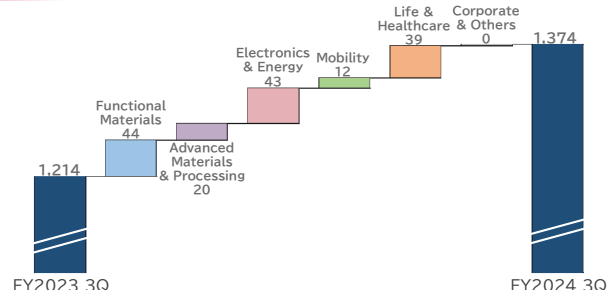
Gross Profit by Business & Segment

- ▶ Trading business profits increased to ¥10.2 billion due to strong performance in the Functional Materials, Advanced Materials & Processing, and Electronics & Energy segments, stemming from moderate recoveries, mainly in the semiconductor, electrical appliances, and electronics industries
- ▶ Manufacturing business profits increased ¥5.7 billion, mainly due to higher food ingredient sales at the Prinova Group in Life & Healthcare, narrowed losses in the Functional Materials color former business, and higher sales of formulated epoxy resins at Nagase ChemteX in the Electronics & Energy business
- ▶ The Functional Materials, and Electronics & Energy, Life & Healthcare segments grew significantly (see Segment Overview for more details).

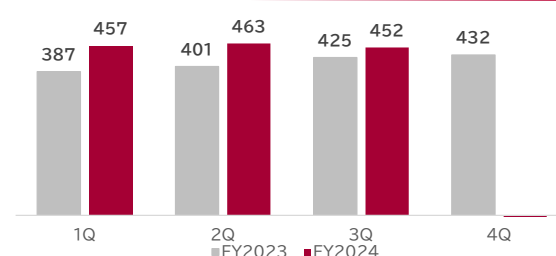
Gross Profit By Business & Segment (100 millions of yen)



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



History of Gross Profit (100 millions of yen)



This is gross profit by segment.

In terms of gross profit by business, both the Manufacturing business and Trading business increased their profits.

In the Trading business—as I mentioned earlier—the semiconductor industry, electrical and electronics industry, and other industries experienced a moderate recovery, resulting in strong sales of the Functional Materials, Advanced Materials & Processing, and Electronics & Energy segment. As a result, profit saw an increase.

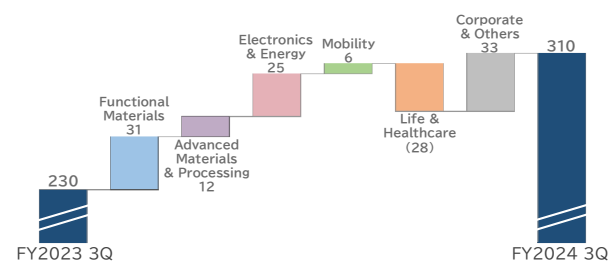
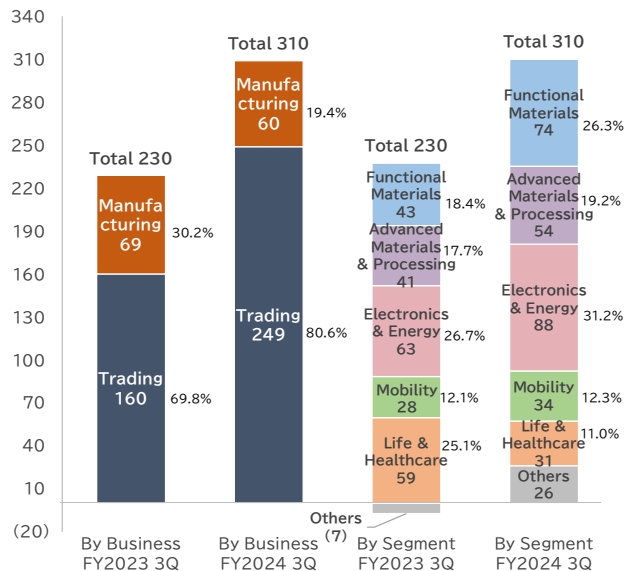
In the Manufacturing business, sales of food ingredients by Prinova Group were strong, and sales of materials for AI servers by Nagase ChemteX grew. The reduction of losses in the color former business has been effective here. As a result, profit increased overall. I will explain this in more details later.

Operating Income by Business & Segment

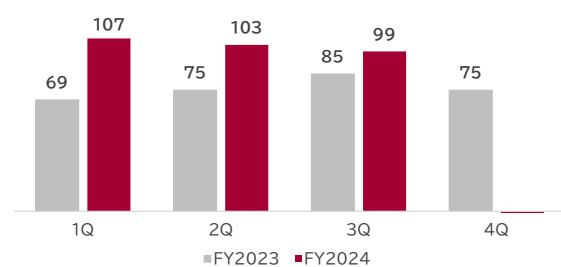
- ▶ Trading business profits increased approx. ¥8.9 billion due to an increase in gross profit and impacts of actuarial gains and losses
- ▶ Despite strong sales of formulated epoxy resins by Nagase ChemteX and narrowed losses in the color formers business, manufacturing business profits decreased by approx. ¥0.9 billion overall, mainly due to lower profit in the Prinova Group
- ▶ Corporate & Others profits increased, mainly due to the impact of actuarial gains and losses (retirement benefit actuarial differences: approx. ¥0.9 billion in expenses in fiscal 2023 and ¥3.5 billion in profit for fiscal 2024, equally prorated and recorded on a quarterly basis)

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)



* Calculation of segment composition ratios does not include Corporate & Others and eliminations

This shows YoY comparison of operating income by business and segment.

Looking at operating income by business category, the Trading business saw an increase, while the Manufacturing business saw a decrease.

In the Trading business, gross profit increased by JPY8.9 billion partly due to the impact of actuarial difference. In particular, strong sales of semiconductor-related materials and resins, which I mentioned earlier, contributed to an increase, and including a contribution of JPY3.3 billion from actuarial difference, operating income in the cumulative Q3 increased substantially.

On the other hand, in the Manufacturing business, Nagase ChemteX's formulated epoxy resin for AI servers performed well. In addition, there was a reduction in losses due to the withdrawal from the colorformer business, but Prinova Group's profit decline had a significant impact, resulting in an overall profit decline of JPY900 million.

As for "others" and "corporate," in FY2023, the impact of the actuarial difference in retirement benefits was JPY900 million in expenses for the full year in the previous year, FY2023; but in FY2024, JPY3.5 billion was recorded as income for the full year, and this amount is divided pro rata each quarter.

Furthermore, expenses that were previously incurred in the others/corporate category are now allocated to each business segment as common expenses, which are mainly allocated to the Trading business.

Sales, Gross Profit and Operating Income by Quarter

- ▶ Gross profit in the third quarter was strong in the trading business, driven by Electronics and Energy, but profit growth in the manufacturing business was sluggish, mainly in the Prinova Group, resulting in an overall decrease in profit compared to the second quarter.
- ▶ Operating income for the third quarter declined compared to the second quarter due to a decrease in gross profit.

Quarterly results		1Q	2Q	3Q	4Q	3Q YTD	100 millions of yen	
							FY2024 forecast	Achievement
							FY2023 Actual	
Sales	FY2024	2,392	2,417	2,370		7,180	9,400	76%
	FY2023	2,240	2,261	2,275	2,224	6,777	9,001	
	YoY%	6.8%	6.9%	4.2%		5.9%	4.4%	
Gross profit	FY2024	457	463	452		1,374	1,800	76%
	FY2023	387	401	425	432	1,214	1,647	
	YoY%	18.3%	15.3%	6.3%		13.1%	9.3%	
<profit ratio>	FY2024	19.1%	19.2%	19.1%		19.1%	19.1%	
	FY2023	17.3%	17.8%	18.7%	19.4%	17.9%	18.3%	
Manufacturing	FY2024	188	195	182		566		
	FY2023	165	160	183	185	509	695	
Trading	FY2024	269	267	270		807		
	FY2023	221	241	242	246	705	952	
Operating income	FY2024	107	103	99		310	365	85%
	FY2023	69	75	85	75	230	306	
	YoY%	54.3%	37.1%	16.5%		34.7%	19.2%	
<profit ratio>	FY2024	4.5%	4.3%	4.2%		4.3%	3.9%	
	FY2023	3.1%	3.3%	3.8%	3.4%	3.4%	3.4%	
Manufacturing	FY2024	24	16	19		60		
	FY2023	26	17	25	21	69	91	
Trading	FY2024	83	86	80		249		
	FY2023	43	58	59	54	160	214	

*Manufacturing figures represent the aggregate totals of manufacturing subsidiaries.

*Trading figures include the aggregate totals of NAGASE and our sales subsidiaries, as well as Corporate & Others and eliminations

*Certain eliminations for FY2023 have been reclassified to manufacturing

We have summarized the quarterly trends in sales, gross profit, and operating income by business category and the future outlook on a single sheet.

Gross profit for Q3 was strong, driven by the Life & Healthcare and Electronics & Energy sectors in Trading business. However, to reiterate, the profit in the Manufacturing business declined from Q2 due to lower profit of the Prinova Group.

You can also see that operating income for Q3 decreased compared to Q2 due to the decrease in gross profit.

Segment Overview: Functional Materials

- ▶ Gross profits increased primarily for the following reasons
 - Coating materials sales increased due to higher market prices, despite demand remaining flat for both automotive and architectural applications
 - Sales of raw materials for semiconductor materials increased
 - Losses narrowed in the color former business due to the withdrawal of the U.S. business and reviewing unprofitable transactions and business streamlining of manufacturing bases in Japan
- ▶ Operating income increased due to improved gross profit

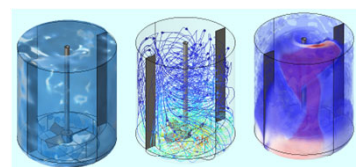
[Key Measures]

Performance Chemicals Dept.

- ▶ Capture business opportunities in the electrochemical industry and in response to market changes by leveraging our global procurement capabilities
- ▶ Propose sustainable materials and solutions (biodegradable bio-SAPs, chemical joint logistics matching, Mixing Concierges™, etc.)

Speciality Chemicals Dept.

- ▶ Expand chemicals business for the semiconductor industry, where we expect market growth
- ▶ Create businesses leveraging unique technologies (flow synthesis, MOF*, etc.)



Mixing Concierges™
:NAGASE develops and provides software to analyze and visualize liquids

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	3Q YTD	FY2024 forecast	Achievement
Sales	FY2024	405	388	372		1,166	1,588	73%
	FY2023	364	357	375	370	1,097	1,468	
	YoY%	11.4%	8.7%	(0.7%)		6.4%	8.2%	
Gross profit	FY2024	88	81	79		249	326	77%
	FY2023	64	68	73	75	205	281	
	YoY%	37.8%	19.9%	8.5%		21.4%	15.9%	
<profit ratio>	FY2024	21.8%	21.1%	21.3%		21.4%	20.5%	
	FY2023	17.6%	19.1%	19.5%	20.4%	18.7%	19.2%	
Manufacturing	FY2024	6	6	4		17		
	FY2023	1	1	2	3	5	8	
Trading	FY2024	82	75	74		232		
	FY2023	62	66	71	71	200	272	
Operating income	FY2024	29	24	20		74	86	87%
	FY2023	10	14	19	17	43	61	
	YoY%	197.2%	67.7%	7.4%		71.1%	39.6%	
<profit ratio>	FY2024	7.3%	6.3%	5.5%		6.4%	5.4%	
	FY2023	2.7%	4.1%	5.1%	4.8%	4.0%	4.2%	
Manufacturing	FY2024	2	3	0		6		
	FY2023	(3)	(2)	(2)	(1)	(7)	(9)	
Trading	FY2024	27	21	20		68		
	FY2023	13	17	21	19	51	71	

Let me explain the results for each segment.
First, Functional Materials segment.

Coating materials sales increased due to higher market prices, despite demand remaining flat for both automotive and architectural applications, resulting in an increase in gross profit. Sales of raw materials for semiconductor materials also increased due to the strong semiconductor market. As I mentioned earlier, in the color former business, the elimination of last year's deficit is taking effect.

Operating income increased due to an increase in gross profit.

Segment Overview: Advanced Materials & Processing

- ▶ Gross profits increased primarily for the following reasons
 - Resin sales increased with the recovery in demand for office equipment and other applications in the electrical appliances and electronic industries
 - Sales of industrial hoses and civil engineering pipes increased at TOTAKU INDUSTRIES, Inc.
- ▶ Operating income increased due to improved gross profit

[Key Measures]

Polymer Global Account Dept.

Quarterly results		1Q	2Q	3Q	4Q	3Q YTD	100 millions of yen	FY2024 forecast	Achievement
Sales	FY2024	535	546	528		1,610		2,049	79%
	FY2023	485	536	477	485	1,499		1,985	
	YoY%	10.2%	1.9%	10.7%		7.4%		3.2%	
Gross profit	FY2024	65	65	67		198		255	78%
	FY2023	54	61	61	57	178		236	
	YoY%	20.1%	5.4%	9.1%		11.2%		8.0%	
<profit ratio>	FY2024	12.3%	11.9%	12.8%		12.3%		12.4%	
	FY2023	11.3%	11.5%	13.0%	11.9%	11.9%		11.9%	
Manufacturing	FY2024	12	12	15		40			
	FY2023	11	12	14	11	37		49	
Trading	FY2024	53	52	52		157			
	FY2023	43	49	47	46	140		186	
Operating income	FY2024	15	19	19		54		59	92%
	FY2023	10	15	16	11	41		53	
	YoY%	56.3%	26.7%	16.3%		29.8%		11.0%	
<profit ratio>	FY2024	3.0%	3.6%	3.6%		3.4%		2.9%	
	FY2023	2.1%	2.9%	3.4%	2.3%	2.8%		2.7%	
Manufacturing	FY2024	2	2	4		9			
	FY2023	1	2	3	0	7		8	
Trading	FY2024	13	17	14		45			
	FY2023	8	13	12	10	34		44	

- ▶ Shift resources to priority (e.g., Mexico and India) in line with the transition in global brand owner production bases



- ▶ Expand transactions in environmental materials (NAGASE products and products from other companies)

- ▶ Improve efficiency of global business operations and optimize organizational structure



Manufacturing subsidiaries:
TOTAKU INDUSTRIES, INC.
industrial hoses and civil engineering pipes

Advanced Materials & Processing including resin.

Gross profit increased JPY2 billion YoY to JPY19.8 billion. Operating profit also increased by JPY1.3 billion YoY.

In the Trading business, sales of resins for office equipment in the electrical appliances and electronic industries remained strong, partly due to the progress in reducing interim inventories.

In the Manufacturing business, TOTAKU INDUSTRIES, Inc, a wholly owned group company that manufactures industrial hoses and civil engineering pipes, continued to perform well.

As you can see in the photos there, demand for large pipes is growing, especially in connection with the undergrounding of electric lines. We see this as a major driver of the performance of TOTAKU INDUSTRIES, Inc.

In addition, TOTAKU INDUSTRIES, Inc has a factory in Okinawa, which is now relocating within Uruma City, where it plans to expand its production capacity by 1.5 times. In October 2025, the new Okinawa plant is scheduled to start operation, and we are preparing for further growth in the Okinawa area, using this as momentum.

Segment Overview: Electronics & Energy

- ▶ Gross profits increased primarily for the following reasons
 - Sales of materials for high-end smartphones, tablets, and other electronic devices increased due to a recovery in demand
 - Sales of semiconductor materials increased due to the moderate market recovery
 - Sales of Nagase ChemteX's formulated epoxy resins increased due to strong sales for semiconductors for AI server semiconductors
- ▶ Operating income increased due to improved gross profit

[Key Measures]

Electronics Dept.

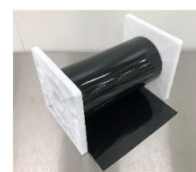
- ▶ Expansion of commercial products in the semiconductor market
 - Expand business based on expansion of domestic production
 - Expand business in Europe, the U.S., India, etc.
- ▶ Develop business for cutting-edge electronic devices

Advanced Functional Materials Dept.

- ▶ Expand sales of Nagase ChemteX products for advanced semiconductors (LMC holds the dominant market share for molding compounds for advanced semiconductors)
- ▶ a-SMC aims to become the de facto standard for molding compounds for next-generation semiconductors
- ▶ Expand the recovery and recycling business of developer solution for semiconductors



LMC: Liquid Molding Compound



a-SMC: Advanced Sheet Molding Compound

Quarterly results		1Q	2Q	3Q	4Q	YTD	100 millions of yen	FY2024 forecast	Achievement
Sales	FY2024	400	398	413		1,212		1,542	79%
	FY2023	355	356	375	360	1,087		1,447	
	YoY%	12.8%	11.7%	10.1%		11.5%		6.5%	
Gross profit	FY2024	95	97	99		292		386	76%
	FY2023	77	86	85	92	249		342	
	YoY%	23.7%	13.4%	15.7%		17.4%		12.8%	
<profit ratio>	FY2024	23.8%	24.5%	24.0%		24.1%		25.0%	
	FY2023	21.7%	24.2%	22.9%	25.8%	22.9%		23.6%	
	YoY%								
Manufacturing	FY2024	33	35	34		102			
	FY2023	27	31	33	39	92		131	
	YoY%								
Trading	FY2024	62	62	65		190			
	FY2023	50	54	52	53	157		210	
	YoY%								
Operating income	FY2024	27	32	28		88		108	82%
	FY2023	17	24	21	25	63		88	
	YoY%	55.5%	30.9%	35.9%		39.5%		22.0%	
<profit ratio>	FY2024	6.9%	8.1%	7.0%		7.3%		7.0%	
	FY2023	5.0%	6.9%	5.6%	6.9%	5.8%		6.1%	
	YoY%								
Manufacturing	FY2024	7	9	7		25			
	FY2023	4	8	8	11	22		34	
	YoY%								
Trading	FY2024	19	22	20		63			
	FY2023	12	15	12	13	40		54	
	YoY%								

Electronic & Energy segment.

Gross profit increased JPY4.3 billion from JPY24.9 billion to JPY29.2 billion. This is partly due to the sales of electronic device materials for smartphones and tablets in the high-end market increased due to a recovery in demand. In addition, sales of semiconductor materials, epoxy resins for AI servers by Nagase ChemteX in particular, as mentioned earlier, were strong as the market recovered gradually. Operating income increased JPY2.5 billion from JPY6.3 billion to JPY8.8 billion, mainly due to an increase in gross profit.

In the Trading business, sales of semiconductor materials and materials for electronic devices increased as mentioned earlier. On the other hand, some are concerned about China's increasing domestic production, and in fact, there are some materials that have become difficult to export from Japan. However, our material sales to the Chinese semiconductor industry, including local business, remain strong, so there is still room for growth.

In the Manufacturing business, sales of Nagase ChemteX's formulated epoxy resins increased due to strong sales for semiconductors for AI server semiconductors. Shown in the photo is LMC, liquid molding compound. As I explained at the previous briefing, we have already doubled our production capacity in H2 of the year. In addition, we are currently working on the expansion of one more production line, which will be completed in April of this year, and we are moving forward with plans to increase production capacity and secure market share as the market grows.

Segment Overview: Mobility

- ▶ Gross profits increased primarily for the following reasons
 - Resin sales, which account for about half of gross profit, increased due to yen depreciation and rising market prices, despite a decline in automobile production volume
 - Sales of functional materials and functional components for interior and exterior fittings and electrification increased
- ▶ Operating income increased due to improved gross profit

[Key Measures]

Mobility Solutions Dept.

- ▶ Expand electrification-related materials and components further
- ▶ Invest resources in growth markets (e.g., North America and India)



Metal insert mold parts for automotive inverters



Established a joint venture in India, Gurugram (Gurgaon) with Japan Aviation Electronics Industry, Ltd. to sell USB and connectors for Motorcycle/Automobile Vehicles

Quarterly results		1Q	2Q	3Q	4Q	YTD	3Q	FY2024 forecast	Achievement
								FY2023 Actual	
Sales	FY2024	321	338	343		1,003		1,326	76%
	FY2023	311	337	353	319	1,002		1,321	
	YoY%	3.1%	0.4%	(2.7%)		0.2%		0.4%	
Gross profit	FY2024	40	43	43		127		165	77%
	FY2023	34	39	41	37	115		152	
	YoY%	17.8%	9.9%	5.4%		10.6%		8.3%	
<profit ratio>	FY2024	12.5%	12.9%	12.7%		12.7%		12.4%	
	FY2023	11.0%	11.8%	11.7%	11.6%	11.5%		11.5%	
	YoY%								
Manufacturing	FY2024	—	—	—	—	—		—	
	FY2023	—	—	—	—	—		—	
	YoY%								
Trading	FY2024	40	43	43		127		152	
	FY2023	34	39	41	37	115		152	
	YoY%								
Operating income	FY2024	9	12	12		34		38	92%
	FY2023	6	10	11	7	28		36	
	YoY%	49.7%	23.3%	5.1%		22.0%		5.1%	
<profit ratio>	FY2024	3.1%	3.8%	3.6%		3.5%		2.9%	
	FY2023	2.1%	3.1%	3.3%	2.3%	2.9%		2.7%	
	YoY%								
Manufacturing	FY2024	—	—	—	—	—		—	
	FY2023	—	—	—	—	—		—	
	YoY%								
Trading	FY2024	9	12	12		34		36	
	FY2023	6	10	11	7	28		36	
	YoY%								

Mobility segment.

Gross profit increased approximately JPY1.2 billion in this segment as well. Operating income also continues to perform well, increasing JPY600 million from JPY2.8 billion to JPY3.4 billion.

The increase was due to an increase of resin sales, which now account for about half of this business, due to an increase in market prices, despite a decrease in automobile production. The other half of the business includes functional materials, such as interior/exterior and electrification applications, and sales of these functional materials and functional components are also increasing.

Also, as part of our global strategy, we talked about Mexico last time, and now India. You can see the flag of India at right bottom. We have announced that we have decided to establish a joint venture with Japan Aviation Electronics Industry, Ltd, a major connector manufacturer, in Gurugram, or Gurgaon for more familiar name, India.

Gurugram is located about an hour from the capital Delhi. Many Japanese companies have established operations in the area, and many plants of major automobile manufacturers are located here. We will increase our presence in the fast-growing Indian market by expanding sales of USB and other connectors for motorcycles and automobiles, which is promoting the shift to EVs. We will proceed with such a strategy.

Segment Overview: Life & Healthcare

- ▶ Gross profits increased primarily for the following reasons
 - Increased sales of intermediates and pharmaceutical raw materials
 - Sales of Nagase Viita increased overall due to strong sales of food ingredients, despite lower sales of cosmetic materials stemming from sluggish sales overseas
 - The Prinova Group saw an increase in food ingredient sales and an improvement in gross margin compared to the same period last year, when market conditions were weak
- ▶ Operating income decreased, despite the increase in gross profit, due to higher general and administrative expenses such as allowance for doubtful accounts in the second quarter and personnel expenses at the Prinova Group

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual	Achievement
Sales	FY2024	728	744	712		2,185	2,894	2,894	76%
	FY2023	723	673	693	687	2,089	2,777	2,777	
	YoY%	0.7%	10.7%	2.7%		4.6%	4.2%	4.2%	
Gross profit	FY2024	168	173	163		505	667	667	76%
	FY2023	156	145	163	168	465	634	634	
	YoY%	8.0%	19.0%	(0.4%)		8.5%	5.1%	5.1%	
<profit ratio>	FY2024	23.2%	23.3%	22.9%		23.1%	23.0%	23.0%	
	FY2023	21.6%	21.6%	23.6%	24.5%	22.3%	22.8%	22.8%	
	YoY%								
Manufacturing	FY2024	136	141	128		406	505	505	
	FY2023	125	114	133	131	374	505	505	
	YoY%								
Trading	FY2024	32	31	35		99	99	99	
	FY2023	30	30	30	37	91	129	129	
	YoY%								
Operating income	FY2024	15	4	11		31	42	42	74%
	FY2023	27	13	19	20	59	80	80	
	YoY%	(44.5%)	(65.7%)	(40.3%)		(47.8%)	(47.5%)	(47.5%)	
<profit ratio>	FY2024	2.1%	0.6%	1.6%		1.4%	1.5%	1.5%	
	FY2023	3.8%	1.9%	2.8%	3.0%	2.9%	2.9%	2.9%	
	YoY%								
Manufacturing	FY2024	11	2	6		20	60	60	
	FY2023	23	9	15	12	48	60	60	
	YoY%								
Trading	FY2024	4	1	4		10	19	19	
	FY2023	4	3	3	8	11	19	19	
	YoY%								

* Each profit measure for Trading includes the effect of eliminations, but certain eliminations for FY2023 have been reclassified to Manufacturing

[Key Measures]

Life & Healthcare Products Dept.

- ▶ Focus on expanding sales of in-house products in Japan and overseas
- ▶ Expand cross-sales through stronger collaboration among overseas group bases and offices
- ▶ Expand bio-materials
(Creation of NVI*1, NBIC*2 bio-derived materials; e.g., ergothioneine mass produced using fermentation technology)
- ▶ Expand the Prinova Group manufacturing
 - *1 Nagase Viita
 - *2 Nagase Bio-Innovation Center

Acquisition of Asahi Kasei Pharma's Diagnostics Operations
Scheduled to take effect in July 2025



Started on-site exchanges and other activities in preparation for joining the group
Aim for gross profit of ¥4 billion around 2030

Life & Healthcare segment.

Likewise, gross profit increased by JPY4 billion. However, operating income decreased by JPY2.8 billion from JPY5.9 billion to JPY3.1 billion.

The factor behind the increase in gross profit is that sales of intermediates and pharmaceutical raw materials in the Trading business have been strong. In the Manufacturing business, overseas sales of cosmetic materials of Nagase Viita continued to struggle, although sales of food ingredients have been strong.

On the other hand, in the Prinova Group, gross profit increased including profitability, despite continuing decline in market prices, due to an increase in both sales and gross profit of food ingredients themselves. However, despite the increase in gross profit, operating income decreased affected by the bad debt allowance for a specific customer of the Prinova Group, which was recorded in Q2, and an increase in general and administrative expenses, including personnel and other expenses, such as transportation, freight, and ocean freight costs.

Overview of Major Manufacturing Subsidiaries: Nagase ChemteX

- ▶ Gross profits increased primarily for the following reasons
 - Sales of formulated epoxy resins increased due to strong sales for semiconductors for AI server
 - Sales decreased for photolithography materials for use in displays
- ▶ Operating income increased due to improved gross profit, despite an increase in general and administrative expenses such as personnel costs and amortization costs associated with the replacement of the core system

Quarterly results							100 millions of yen		Ratio of Consolidated Gross Profit by Segment
		1Q	2Q	3Q	4Q	3Q YTD	FY2024 forecast	Achievement	
Sales	FY2024	66	64	66		197	259	76%	<div> <div> <div>Functional Materials 20.1%</div> <div>Electronics & Energy 79.9%</div> <div>Life & Healthcare 0.0%</div> </div> <div> <div>Functional Materials 17.7%</div> <div>Electronics & Energy 81.5%</div> <div>Life & Healthcare 0.8%</div> </div> </div> <div> <div>FY2023 3Q</div> <div>FY2024 3Q</div> </div>
	FY2023	57	65	66	62	189	251		
	YoY%	15.2%	(0.4%)	(1.0%)		4.1%	3.2%		
Gross profit	FY2024	20	20	22		63	85	74%	
	FY2023	17	19	21	17	58	75		
	YoY%	20.4%	3.3%	5.1%		9.0%	13.1%		
<profit ratio>	FY2024	31.6%	31.5%	33.9%		32.3%	33.0%		
	FY2023	30.2%	30.3%	32.0%	27.9%	30.9%	30.1%		
Operating income	FY2024	7	6	7		21	28	76%	
	FY2023	5	7	8	0	21	22		
	YoY%	43.8%	(22.9%)	(5.5%)		0.2%	25.7%		
<profit ratio>	FY2024	11.5%	9.4%	12.0%		11.0%	10.9%		
	FY2023	9.2%	12.2%	12.6%	1.6%	11.4%	9.0%		

* We handle the sales functions of Nagase ChemteX through our company and our sales subsidiaries, accounting a portion of the profits under Trading

Nagase ChemteX.

Gross profit was also boosted by strong sales of epoxy. Demand for semiconductors for AI servers is expected to remain strong, while sales of photolithography materials for displays declined. This was due to the impact of the shutdown of the Sakai plant for liquid crystal display chemicals in August of last year.

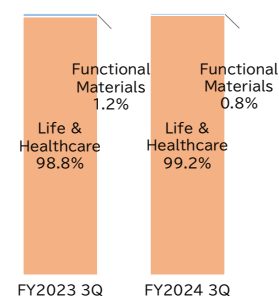
In addition to these factors, there were several other negative factors; but overall, LMC for semiconductors, continues to grow with strong demand.

Overview of Major Manufacturing Subsidiaries: Nagase Viita

- ▶ Gross profits increased primarily for the following reasons
 - Sales of food ingredients increased both in Japan and overseas
 - Domestic sales of cosmetic materials increased, but overseas sales remained sluggish due to a decline in demand in China, the final demand region, resulting in an overall decrease in sales.
 - Operating income decreased, despite higher gross profits, due to increases in personnel expenses and other general and administrative expenses

Quarterly results		1Q	2Q	3Q	4Q	3Q YTD	100 millions of yen	
							FY2024 forecast	Achievement
Sales	FY2024	86	87	92		267	356	75%
	FY2023	89	80	89	84	259	344	
	YoY%	(3.4%)	9.0%	4.0%		3.0%	3.7%	
Gross profit	FY2024	33	32	34		99	135	74%
	FY2023	34	28	32	30	95	126	
	YoY%	(3.8%)	13.9%	4.6%		4.3%	7.2%	
<profit ratio>	FY2024	38.2%	36.9%	36.8%		37.3%	38.0%	
	FY2023	38.4%	35.3%	36.6%	36.4%	36.8%	36.7%	
Operating income	FY2024	13	12	13		39	52	74%
	FY2023	16	10	14	11	40	52	
	YoY%	(19.9%)	20.5%	(2.1%)		(3.7%)	1.6%	
<profit ratio>	FY2024	15.3%	14.0%	14.8%		14.7%	14.8%	
	FY2023	18.4%	12.7%	15.7%	13.4%	15.7%	15.1%	
Amortisation of goodwill, etc.	FY2024	7	7	7		23	29	
	FY2023	7	7	7	7	23	30	
	YoY%	0.0%	0.0%	0.0%		0.0%	(3.4%)	
Operating income after amortised expenses	FY2024	5	4	6		16	23	70%
	FY2023	8	2	6	3	17	21	
	YoY%	(37.2%)	84.5%	(4.5%)		(8.5%)	8.7%	

Ratio of Consolidated Gross Profit by Segment



* We handle partial sales functions of Nagase Viita through our company and our sales subsidiaries, accounting a portion of the profits under Trading

This is Nagase Viita.

As I explained earlier, gross profit was boosted by the strong sales of food ingredients, both domestically and internationally. On the other hand, demand for cosmetic materials for overseas market declined in China, the final demand region. China is the final demand region for cosmetics, and it is a very large market, and sales of cosmetics have been declining due to the sluggish market there.

As a result, operating income decreased as a result of an increase in personnel expenses and other system modifications, which led to an increase in general and administrative expenses, despite an increase in gross profit.

Overview of Major Manufacturing Subsidiaries: Prinova Group

- ▶ Gross profits increased primarily for the following reasons
 - Food ingredient sales saw an increase in volume and an improvement in gross profit margin
- ▶ Operating income decreased due to allowance of approx. ¥1.3 billion for doubtful accounts, which was recorded in the second quarter due to arising from concerns over receivables collection from specific customers in the manufacturing business, along with higher personnel and other general and administrative expenses, despite an increase in gross profit

Quarterly results		1Q	2Q	3Q	4Q	3Q YTD	100 millions of yen FY2024 forecast FY2023 Actual	Achievement	Ratio of Consolidated Gross Profit by Segment
Sales	FY2024	504	537	488		1,530	1,964	78%	<div>Life & Healthcare 100.0%</div> <div>Life & Healthcare 100.0%</div>
	FY2023	516	473	476	472	1,465	1,937		
	YoY%	(2.2%)	13.5%	2.7%		4.4%	1.4%		
Gross profit	FY2024	99	100	92		292	376	78%	
	FY2023	87	82	95	96	264	361		
	YoY%	14.0%	21.9%	(2.6%)		10.5%	4.2%		
<profit ratio>	FY2024	19.7%	18.7%	19.0%		19.1%	19.2%		
	FY2023	16.9%	17.4%	20.0%	20.3%	18.1%	18.6%		
Operating income	FY2024	13	0	10		24	32	74%	
	FY2023	19	13	14	15	47	63		
	YoY%	(31.7%)	(96.7%)	(30.7%)		(49.1%)	(48.1%)		
<profit ratio>	FY2024	2.7%	0.1%	2.1%		1.6%	1.7%		
	FY2023	3.8%	2.8%	3.1%	3.3%	3.2%	3.3%		
Amortisation of goodwill, etc.	FY2024	6	7	6		20	27		
	FY2023	6	6	6	6	18	25		
	YoY%	12.2%	13.5%	3.4%		9.6%	5.2%		
Operating income after amortised expenses	FY2024	6	(6)	3		3	5	59%	
	FY2023	13	6	8	8	28	37		
	YoY%	(51.3%)	-	(57.9%)		(88.1%)	(84.8%)		

* FY2023 results did not include the impact of profit or loss due to eliminations other than amortization of goodwill, etc.; we changed the figures to include these factors from the perspective of appropriate performance disclosure

This is about the Prinova Group.

As I have repeatedly mentioned, the gross profit margin has increased with the increase in sales volume, but it has not yet made a sufficient contribution at the phase of operating income.

In the manufacturing business in particular, sales of food ingredients, as I mentioned earlier, have been strong, and large compounds and large blends, which are called premixes, other than the Nutrition business, are recovering favorably. However, earnings at the Utah plant, which is a newly built plant, have been sluggish. This is due to lower productivity and deterioration of the market environment. Regarding productivity, as I explained at the last briefing, we have taken various measures to improve productivity, and we are now on track to achieve our initial automation and improvement targets. This is due to the effect of the NAGASE Group, support from Japan, and various outside forces that have helped us to make improvements.

As for the deterioration of the market environment, the sports nutrition industry is still growing at a very high rate. According to various data, the market continues to grow at an annual rate of 8% to 10%, and there has been a succession of market entrants. In addition to major brands, competition is intensifying among smaller brands, and the market situation is changing with repeated mergers and acquisitions. In this environment, we have been working to win the new business by managing the project in the pipeline. However, some of our customers' contracts are for one year, and some are for six months at the shortest, and there are many contracts in which we do not have enough reason to change due to various conditions. As a result, we have yet to improve the profitability of the Utah Plant, but we will continue to make efforts to improve it, even if it will take more time.

Consolidated Balance Sheets

- Increase in fixed liabilities due to acquisition of treasury stock and refinancing of short-term interest-bearing debt to long-term interest-bearing debt in light of rising interest rates in the medium term, etc.

	2024/03	2024/12	Change	100 millions of yen Details
Total Current Assets	5,424	5,673	248	
(Cash&deposits)	594	608	13	
(Trade account receivable)	3,211	3,361	149	
(Inventories)	1,479	1,551	71	
Total non-current assets	2,498	2,458	(39)	
(Investments in security)	762	737	(24)	
Total assets	7,923	8,132	208	
Current Liab.	3,026	2,755	(271)	CP -190
(Trade account payable)	1,563	1,633	70	Current Portion of Bonds -100
Non-current Liab.	883	1,385	501	Non-Current Loan Pay. +322 Bonds Payable+200
Total Liab.	3,910	4,140	230	
Shareholders' equity	3,128	3,079	(49)	
Accum. Other Comprehensive Income	812	835	23	
Non-controlling interest	72	76	3	
Total net assets	4,013	3,991	(22)	
Working capital	3,127	3,278	150	
Shareholders' equity ratio	49.7%	48.1%	(1.6ppt)	
Interest-bearing debt	1,669	1,783	114	
NET D/E ratio	0.27	0.30	0.03	

This is consolidated balance sheet.

Short-term and long-term interest-bearing debt is refinanced. I think that is the only point this time, but fixed liabilities have increased as a result.

Consolidated Cash Flows

► Operating cash flow amounted to ¥21.4 billion, primarily due to an increase in profit for the period from strong business performance

	100 millions of yen	
	FY2023 3Q	FY2024 3Q
Operating CF	579	214
(Income before income taxes)	257	322
(Depreciation and amortization)	121	135
(Change in working capital)	306	(111)
(Other)	(105)	(132)
Investing CF	(79)	(70)
(Fixed asset investment)	(127)	(120)
(Other)	47	49
Free CF	499	143
Financing CF	(405)	(177)
(Share buybacks)	(80)	(170)
(Dividends paid)	(98)	(100)
(Change in loans and bonds)	(161)	99
(Other)	(64)	(6)
Effects of exchange rate	32	45
Net increase / decrease in cash and cash equivalents	127	12

FY2024 Earnings Projection (No Change)

- ▶ Semiconductor-related businesses performed well, driven by a moderate recovery in market conditions and increased demand for semiconductor for AI servers
- ▶ Automobile-related businesses is performed well due to rising market conditions and increased sales of highly profitable functional materials and components, despite slightly sluggish growth in automobile production volume
- ▶ Resin sales are strong due to recovery in demand from the electrical appliances and electronics industries, including office automation and smartphones
- ▶ We do not anticipate a full-year recovery in food-related businesses, primarily due to weak performance in the Prinova Group
- ▶ We expect selling, general and administrative expenses to increase overall with business growth and other factors, even though the amortization expense of retirement benefit actuarial differences will decrease (Retirement benefit actuarial differences: Approx. ¥0.9 billion expense in fiscal 2023 and approx. ¥3.5 billion income in fiscal 2024)

	FY2023 Results	FY2024 Forecast	Change	Vs.PY
Sales	9,001	9,400	398	104%
Gross profit	1,647	1,800	152	109%
<GP ratio>	18.3%	19.1%	0.8ppt	-
SG&A expenses	1,341	1,435	93	107%
Operating income	306	365	58	119%
<OP ratio>	3.4%	3.9%	0.5ppt	-
Ordinary income	305	352	46	115%
Profit attributable to owners of the parent	224	280	55	125%
US\$ Exchange rate (period average)	@ 144.6	@ 148.0	@ 3.4	Weak yen
RMB Exchange rate (period average)	@ 20.1	@ 20.0	@ 0.1	Strong yen

Then, forecast for the full year.

As of Q3, 76% of net sales target and 85% of operating income target have been achieved, and although it may be pointed out that we are being conservative on this point, we have not made any changes to our full-year forecast.

This is due to the several factors, including the impact of the Chinese New Year as a seasonal factor, as well as the impact of materials-related factors, such as inventory adjustments in Q4, which usually cause people to hold off on purchases and the market to tighten a bit.

In addition, we will have a corporate expense, as we relocated our offices to improve the way our employees work and the ease of working, which we had planned from the beginning. This is done in Tokyo, Osaka, and Nagoya. Therefore, these relocation and renovation costs in addition to consulting expenses as we are still considering M&A projects, are factored in.

We will make every effort to control expenses in order to increase profits as much as possible, so please continue to keep an eye on this area. Although the overall outlook remains unchanged, we will continue to closely monitor and respond to the situation.

FY2024 Earnings Projection By segment (No Change)

- ▶ Higher sales and profit in Functional Materials, due to increased sales of coating materials and raw materials for semiconductor materials, as well as improved profitability of the color former business
- ▶ Higher sales and profit in Advanced Materials & Processing, due to strong resin sales, driven primarily by a recovery in demand from the electrical and electronics industries, including in office equipment and other areas
- ▶ Higher sales and profit in Electronics & Energy, due to strong material sales for the semiconductor industry and strong sales at Nagase ChemteX for formulated epoxy resins for AI server semiconductors
- ▶ Higher sales and profit in Mobility, despite lower automobile production, due to improved profitability from higher market prices and strong sales of functional materials and components
- ▶ Lower operating income in Life & Healthcare, due to the allowance of doubtful accounts and weak performance of manufacturing business, despite higher sales and gross profit due to strong performance of food ingredient sales in the Prinova Group

		100 millions of yen			
		FY2023 Actual	FY2024 Forecast	Change	Vs.PY
Functional Materials	Sales	1,468	1,588	119	108%
	Gross profit	281	326	44	116%
	<profit ratio>	19.2%	20.5%	1.4ppt	—
	Operating income	61	86	24	140%
	<profit ratio>	4.2%	5.4%	1.2ppt	—
Advanced Materials & Processing	Sales	1,985	2,049	63	103%
	Gross profit	236	255	18	108%
	<profit ratio>	11.9%	12.4%	0.6ppt	—
	Operating income	53	59	5	111%
	<profit ratio>	2.7%	2.9%	0.2ppt	—
Electronics & Energy	Sales	1,447	1,542	94	107%
	Gross profit	342	386	43	113%
	<profit ratio>	23.6%	25.0%	1.4ppt	—
	Operating income	88	108	19	122%
	<profit ratio>	6.1%	7.0%	0.9ppt	—
Mobility	Sales	1,321	1,326	4	100%
	Gross profit	152	165	12	108%
	<profit ratio>	11.5%	12.4%	0.9ppt	—
	Operating income	36	38	1	105%
	<profit ratio>	2.7%	2.9%	0.1ppt	—
Life & Healthcare	Sales	2,777	2,894	116	104%
	Gross profit	634	667	32	105%
	<profit ratio>	22.8%	23.0%	0.2ppt	—
	Operating income	80	42	(38)	52%
	<profit ratio>	2.9%	1.5%	(1.4ppt)	—
Corporate&Others	Sales	1	1	(0)	68%
	Gross profit	0	1	0	120%
	Operating income	(13)	32	45	—
Total	Sales	9,001	9,400	398	104%
	Gross profit	1,647	1,800	152	109%
	<profit ratio>	18.3%	19.1%	0.8ppt	—
	Operating income	306	365	58	119%
	<profit ratio>	3.4%	3.9%	0.5ppt	—

This is a forecast by segment, but I will skip it as it is repetitive.

FY2024 Earnings Projections by Major Manufacturing Subsidiaries (No Change)

- ▶ Nagase ChemteX : Higher sales and profit, due to strong sales of formulated epoxy resins for AI server semiconductors, despite lower sales of photolithography materials for displays and formulated epoxy resins for mobile devices
- ▶ Nagase Viita : Higher sales and profit, due to strong sales of food ingredients and domestic sales of cosmetic materials, despite lower sales for cosmetic materials in overseas markets
- ▶ Prinova Group : Lower operating income, due to the allowance of doubtful accounts and weak performance of manufacturing business, despite higher sales and gross profit due to strong performance of food ingredient sales

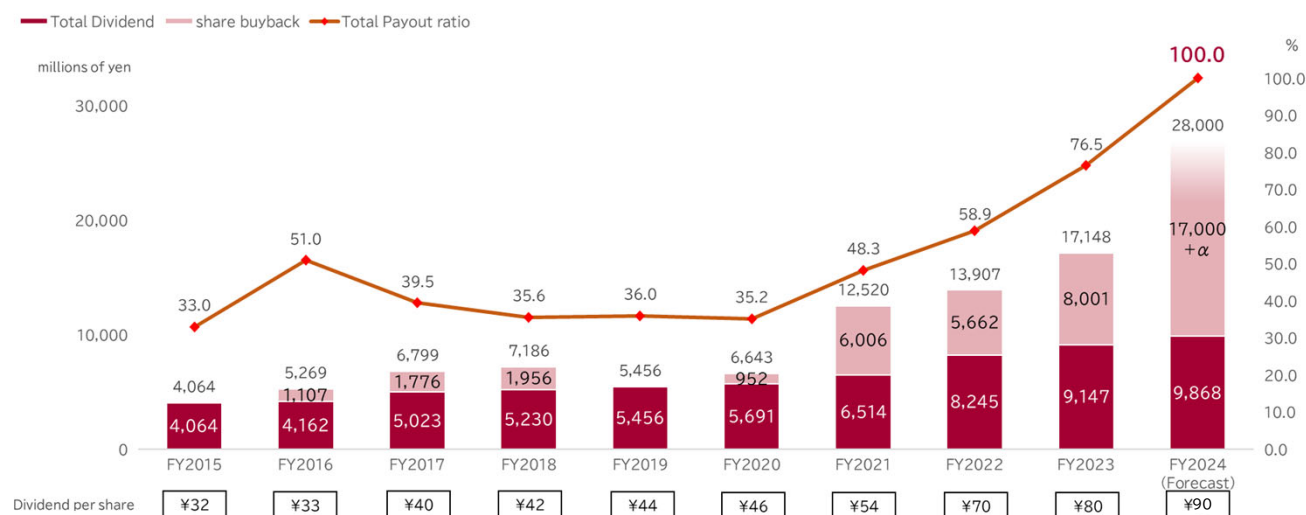
		100 millions of yen			
		FY2023 Actual	FY2024 Forecast	Change	Vs.PY
Nagase ChemteX Corporation	Sales	251	259	8	103%
	Gross profit	75	85	9	113%
	<profit ratio>	30.1%	33.0%	2.9ppt	—
	Operating income	22	28	5	126%
	<profit ratio>	9.0%	10.9%	2.0ppt	—
Nagase Viita Co., Ltd.	Sales	344	356	12	104%
	Gross profit	126	135	9	107%
	<profit ratio>	36.7%	38.0%	1.3ppt	—
	Operating income	52	52	0	102%
	<profit ratio>	15.1%	14.8%	(0.3ppt)	—
	Goodwill amortization etc.	30	29	(1)	97%
Prinova Group	Operating income after amortization burden	21	23	1	109%
	Sales	1,937	1,964	26	101%
	Gross profit	361	376	15	104%
	<profit ratio>	18.6%	19.2%	0.5ppt	—
	Operating income	63	32	(30)	52%
	<profit ratio>	3.3%	1.7%	(1.6ppt)	—
Prinova Group	Goodwill amortization etc.	25	27	1	105%
	Operating income after amortization burden	37	5	(31)	15%

* FY2023 Prinova Group results did not include the impact of profit or loss due to eliminations other than amortization of goodwill, etc.; we changed the figures to include these factors from the perspective of appropriate performance disclosure

This is an outlook for major subsidiaries.
This is as I explained earlier as well.

Shareholder Returns

- ▶ We plan to pay ¥90 per share for fiscal 2024, consisting of an interim dividend of ¥45 per share and a year-end dividend of ¥45 per share (forecasting a 15th consecutive year of dividend increases)
- ▶ No changes to our shareholder return policy of a 100% total return ratio in fiscal 2024 and fiscal 2025
- ▶ The repurchase of ¥17.0 billion yen in treasury stock



* FY2024 year-end dividend to be submitted for approval to the 110th general meeting of shareholders scheduled for June 2025.

Last, regarding the shareholder returns, the Company will steadily implement shareholder returns in accordance with its policy of 100% total return ratio for FY2024 and FY2025.

We will promote both business growth and financial strategies with the aim of building a structure that will achieve and maintain ROE of 8% or higher, which is the KGI of the **ACE 2.0** Medium-Term Management Plan. This will allow us to sustainably increase corporate value and strengthen returns to our shareholders.

That concludes my explanation.



■Inquiries:

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

■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 February 7, 2025. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

I have been participating in briefings and individual meetings such as this one so far, but I will be stepping down from the board of directors at the upcoming general meeting of shareholders to focus on the Prinova Group in the US. After that I will concentrate on the Prinova business.

As I have already announced, Executive Officer Shimizu will succeed me on the Board of Directors at the next General Meeting of Shareholders, and I look forward to your continued support and guidance.

That is all from me.

Sales, Gross Profit, and Operating Income by Quarter (Before Allocation of Corporate & Others)

- ▶ In FY2024, the Company began allocating company-wide shared expenses, excluding a portion of Nagase non-consolidated expenses, to business units under Corporate & Others
- ▶ We are allocating company-wide shared expenses, shifting to a system that enables a more realistic understanding of the profitability of each business unit
- ▶ For reference, this page shows quarterly changes before allocations to Corporate & Others

100 millions of yen							100 millions of yen							100 millions of yen									
Quarterly results							FY2024 Forecast FY2023 Actual	Quarterly results							FY2024 Forecast FY2023 Actual	Quarterly results							FY2024 Forecast FY2023 Actual
		1Q	2Q	3Q	4Q	YTD				1Q	2Q	3Q	4Q	YTD				1Q	2Q	3Q	4Q	YTD	
Consolidated Total							Advanced Materials & Processing(Polymer Global Account Dept.)							Mobility(Mobility Solutions Dept.)									
Sales	FY2024	2,392	2,417	2,370		7,180	9,400	Sales	FY2024	535	546	528		1,610	2,049	Sales	FY2024	321	338	343		1,003	1,326
	FY2023	2,240	2,261	2,275	2,224	6,777	9,001		FY2023	485	536	477	485	1,499	1,985		FY2023	311	337	353	319	1,002	1,321
	YoY%	6.8%	6.9%	4.2%		5.9%	4.4%		YoY%	10.2%	1.9%	10.7%		7.4%	3.2%		YoY%	3.1%	0.4%	(2.7%)		0.2%	0.4%
Gross profit	FY2024	457	463	452		1,374	1,800	Gross profit	FY2024	65	65	67		198	255	Gross profit	FY2024	40	43	43		127	165
	FY2023	387	401	425	432	1,214	1,647		FY2023	54	61	61	57	178	236		FY2023	34	39	41	37	115	152
	YoY%	18.3%	15.3%	6.3%		13.1%	9.3%		YoY%	20.1%	5.4%	9.1%		11.2%	8.0%		YoY%	17.8%	9.9%	5.4%		10.6%	8.3%
<profit ratio>	FY2024	19.3%	19.2%	19.1%		19.1%	19.3%	<profit ratio>	FY2024	12.3%	11.9%	12.8%		12.3%	12.4%	<profit ratio>	FY2024	12.5%	12.9%	12.7%		12.7%	12.4%
	FY2023	17.3%	17.8%	18.7%	19.4%	17.9%	18.3%		FY2023	11.3%	11.3%	13.0%	11.9%	11.9%	11.9%		FY2023	11.0%	11.8%	11.7%	11.6%	11.5%	11.5%
Operating income	FY2024	107	103	99		310	365	Operating income	FY2024	20	23	23		67	80	Operating income	FY2024	13	16	16		46	57
	FY2023	69	75	85	75	230	306		FY2023	13	19	20	15	52	68		FY2023	9	13	14	10	38	49
	YoY%	54.3%	37.1%	16.5%		34.7%	19.2%		YoY%	50.2%	20.8%	17.2%		26.9%	17.6%		YoY%	44.6%	17.2%	9.0%		20.8%	15.5%
<profit ratio>	FY2024	4.5%	4.3%	4.2%		4.3%	3.9%	<profit ratio>	FY2024	3.8%	4.3%	4.5%		4.2%	3.9%	<profit ratio>	FY2024	4.3%	4.8%	4.7%		4.6%	4.3%
	FY2023	3.1%	3.3%	3.8%	3.4%	3.4%	3.4%		FY2023	2.8%	3.6%	4.2%	3.1%	3.5%	3.4%		FY2023	3.0%	4.1%	4.2%	3.4%	3.8%	3.7%

100 millions of yen							100 millions of yen							100 millions of yen									
Quarterly results							3Q FY2024 Forecast FY2023 Actual	Quarterly results							3Q FY2024 Forecast FY2023 Actual	Quarterly results							3Q FY2024 Forecast FY2023 Actual
		1Q	2Q	3Q	4Q	YTD				1Q	2Q	3Q	4Q	YTD				1Q	2Q	3Q	4Q	YTD	
Functional Materials(Performance Chemicals Dept., Speciality Chemicals Dept.)							Electronics & Energy(Electronics Dept., Advanced Functional Materials Dept.)							Life & Healthcare(Life & Healthcare Products Dept.)									
Sales	FY2024	405	388	372		1,166	1,588	Sales	FY2024	400	398	413		1,212	1,542	Sales	FY2024	728	744	712		2,185	2,894
	FY2023	364	357	375	370	1,097	1,468		FY2023	355	356	375	360	1,087	1,447		FY2023	723	673	693	687	2,089	2,777
	YoY%	11.4%	8.7%	(0.7%)		6.4%	8.2%		YoY%	12.8%	11.7%	10.1%		11.5%	6.5%		YoY%	0.7%	10.7%	2.7%		4.6%	4.2%
Gross profit	FY2024	88	81	79		249	326	Gross profit	FY2024	95	97	99		292	386	Gross profit	FY2024	168	173	163		505	667
	FY2023	64	68	73	75	205	281		FY2023	77	86	85	92	249	342		FY2023	156	145	163	168	465	634
	YoY%	37.8%	19.9%	8.5%		21.4%	15.9%		YoY%	23.7%	13.4%	15.7%		17.4%	12.8%		YoY%	8.0%	19.0%	(0.4%)		8.5%	5.1%
<profit ratio>	FY2024	21.8%	21.1%	21.3%		21.4%	20.5%	<profit ratio>	FY2024	23.8%	24.5%	24.0%		24.1%	25.0%	<profit ratio>	FY2024	23.2%	23.3%	22.9%		23.1%	23.0%
	FY2023	17.6%	19.1%	19.5%	20.4%	18.7%	19.2%		FY2023	21.7%	24.2%	22.9%	25.8%	22.9%	23.6%		FY2023	21.6%	21.6%	23.6%	24.5%	22.3%	22.8%
Operating income	FY2024	37	31	28		96	121	Operating income	FY2024	34	38	36		110	143	Operating income	FY2024	21	9	17		48	71
	FY2023	15	21	25	24	61	86		FY2023	23	31	27	31	81	113		FY2023	32	19	24	26	76	103
	YoY%	140.7%	46.9%	11.8%		55.9%	40.2%		YoY%	50.6%	24.4%	33.2%		34.8%	26.2%		YoY%	(34.8%)	(48.2%)	(28.8%)		(36.2%)	(31.2%)
<profit ratio>	FY2024	9.1%	8.0%	7.6%		8.3%	7.6%	<profit ratio>	FY2024	8.7%	9.7%	8.8%		9.1%	9.3%	<profit ratio>	FY2024	2.9%	1.3%	2.5%		2.2%	2.5%
	FY2023	4.2%	6.0%	6.7%	6.6%	5.6%	5.9%		FY2023	6.5%	8.7%	7.3%	8.8%	7.5%	7.8%		FY2023	4.5%	2.9%	3.6%	3.9%	3.7%	3.7%

*Allocations of each expense to seven business units according to one or more of the following criteria

- (1) Equal allocation to each division
- (2) Allocation according to business scale (sales and gross profit)

Business Environment by Segment



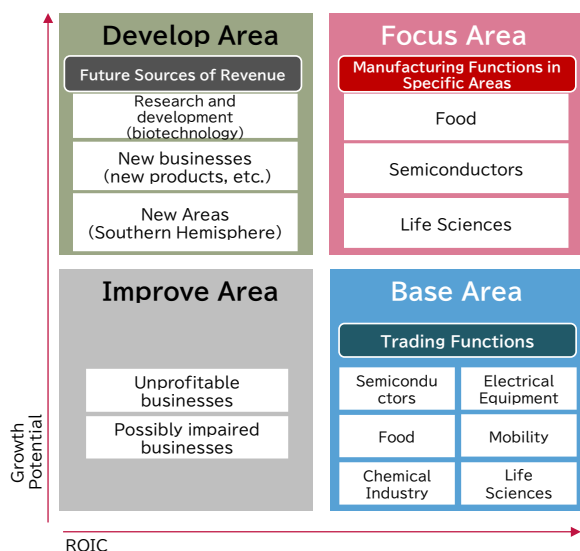
Industry	Full-Year FY2024 Initial Forecast		First Half Trends		Second Half Trends		Segment
Coatings	Automotive applications to remain strong, but generally flat overall		Growth in both automotive and construction applications was sluggish, remaining generally flat overall		Growth in Asia is likely to remain sluggish, despite a production recovery among manufacturers in Japan		Functional Materials
Color Formers	Oversupply to continue while market conditions remain sluggish		Withdrew from the color formers business in the U.S. business in Japan is also in a reduced equilibrium.				
Semiconductors	Moderate recovery, full-scale recovery in the second half of the fiscal year, with sales of high-end applications to continue strong		Recovery varied by category, but saw strong demand for high-end applications		Demand for high-end applications to grow		Electronics & Energy
Display	Demand to recover year on year		Production of TV panels ended in Japan, while overseas production remained flat year on year		Likely to remain at first-half levels		
Smartphones	Expected growth year on year		High-end performance was strong year on year. Persistent sluggish middle- and low-end performance due to interim inventories		Likely to remain at first-half levels		Advanced Materials
OA and Games	Overall demand and resin market conditions to make a moderate recovery		Moderate recovery in demand and resin market conditions		Strong performance likely to continue through Q3, with an inventory adjustment phase in Q4		
Automobiles	Moderate recovery in automobile production to continue		Steady automobile production in the U.S., while production declined in Japan and Asia		Moderate recovery in Japan, while challenging conditions to continue in Asia		Mobility
Medical	Demand to increase while sales of raw materials decrease due to patent expiration of brand-name drugs, etc.		Slightly sluggish overall sales of brand-name and generic drugs, with minimal impact on our handled products		Likely to remain at first-half levels		Life & Healthcare
Cosmetics	Overall demand to continue to recover		Sluggish growth in final demand in China		Likely to remain at first-half levels		
Food	Demand in the U.S. market to continue to recover		Slower-than-expected demand recovery, with sluggish market price in the U.S. market		Recovery of demand in the U.S. to remain slow, with a gradual recovery in certain market price		

*Based on the business environment of the Nagase Group, excluding one-time losses, etc. (Forecasts may not be consistent with general industry trends)

Growth Strategies for the Future

Make proactive investments in Focus Area of manufacturing (across the three areas of food, semiconductors, and life sciences) to expand profit scale and profit margin over the medium to long term

**Potential investments in Focus Area
and Develop Area
Approx. 80 billion yen
(M&A and Capital investment)**



Base Area

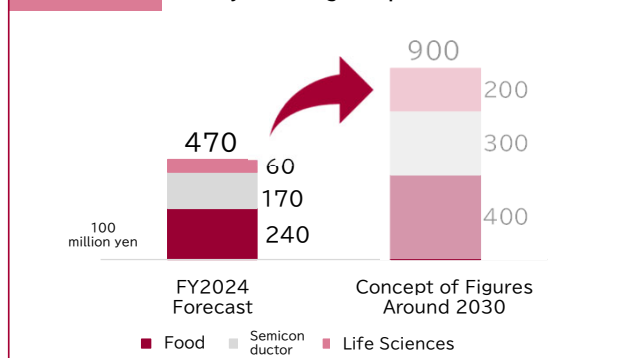
Obtain cash and high-value-added information to enhance Focus and Develop Areas

Develop Area

Take on new challenges in areas that will become future sources of revenue

Focus Area

Nearly double gross profit in focus areas

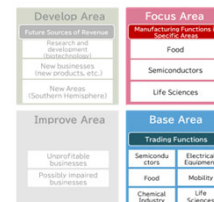


Improve Area

Narrowing losses

Efforts in the Semiconductor Area

The Focus Area works to establish a de facto standard in molding compounds for advanced semiconductors, while the Base Area expands commercial rights



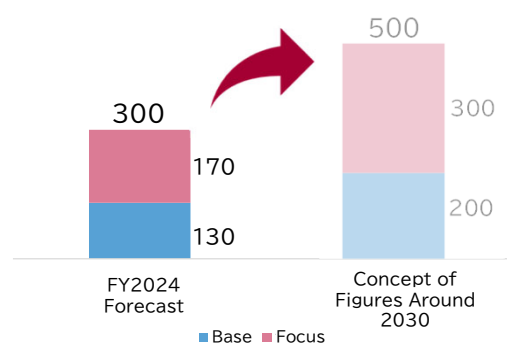
Focus Area

- Establish position as the de facto standard in **molding compounds (LMC/a-SMC)** for advanced semiconductors
- Promote and expand **environmentally friendly proposals** with a system that **recovers and recycles developers**

Base Area

- By serving as a coordinator for **Rapidus Corporation**, **enhance business rights further and leverage them for global expansion**
- **Strengthen** our expertise in chemical handling (transportation, storage, imports and exports) and **supply chain management**

Semiconductor Gross Profit
(100 million yen)



Efforts in the Life Science Area

Decided to add diagnostics business through M&A,
Aim to expand business by developing new materials
in the Develop Area

Focus Area

- Expand business in the pharmaceutical and cosmetic fields with Nagase Viita and Nagase ChemteX materials and technologies (e.g., AA2G™, Pullulan, Trehalose SG, and Hesperidin)

Base Area

- Establish a system to comply with laws and regulations in each country and expand our global network

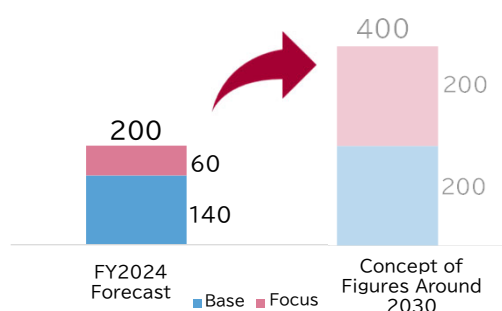
Develop Area

- Began mass production of ergothioneine using fermentation technologies

Acquire Diagnostics and Other Businesses From
Asahi Kasei Pharma Corporation

- | | |
|----------------|--|
| Focus | Acquire enzyme production business at Ohito Pharmaceutical Plant |
| Base | Aim to grow business through overseas sales by expanding product lineup and developing the Asahi Kasei pharma products in Brazil, ASEAN, and India |
| Develop | Consolidate Nagase Group pharmaceutical-related businesses |
- Aim for gross profit of ¥4 billion around 2030

Life Sciences Gross Profit (100 million yen)



Efforts in the Food Area -Prinova Group Status-

The growth trend in the sports nutrition market remains unchanged
We are proactively advancing efforts to establish a profit-contributing structure at the Utah plant

Develop Area	Focus Area
Future Source of Revenue	High-growth business in the future
Research and Development (New products, etc.)	Food
New Businesses (New products, etc.)	Semiconductors
New Areas (Southern Hemisphere)	Life Sciences
Improve Area	Base Area
Unprofitable Businesses Possible improved business	Trading Functions
	Semiconductors
	Electrical Equipment
	Food
	Chemical Industry
	Life Sciences

Manufacturing

- Work to acquire **new customers** with our newly expanded product lineup, although it will take time to contribute to profits due to major customers losing market shares
- Develop **new categories** such as health-conscious consumers

Product Lines Promoting New Efforts



Pea Protein
Soy allergy products



Beauty
Health maintenance beauty and wellness

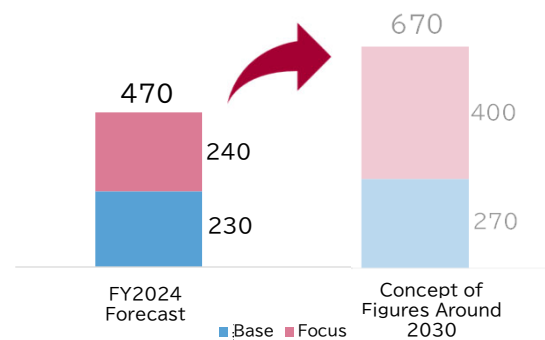


GREENS
Vitamins and other nutrients

Trading

- Expand business in **South America and Asia**, building on our success in North America and Europe, by leveraging our **unique food ingredient procurement capabilities**

Food Gross Profit (100 million yen)



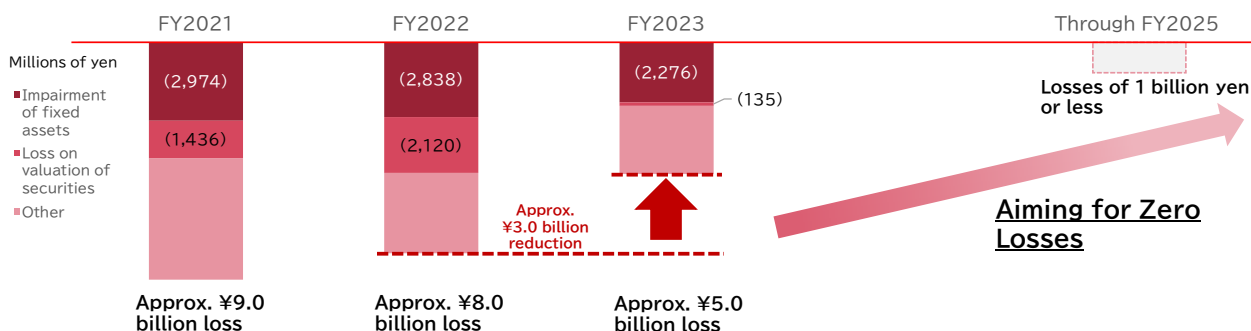
Improve Area in the First Half of FY2024

Initiated prompt efforts to improve ROIC, focusing on areas where management decisions yield swift results

Improvement Targets and Initiatives

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Operating loss among subsidiaries and equity in losses of affiliates 2. Assets at risk for impairment loss 3. Unprofitable transactions | <p>Develop and implement improvement plans as early as possible.
Study withdrawing from businesses not expected to improve.</p> <p>Strengthen monitoring of assets at risk of future impairment; minimize impairments</p> <p>List and monitor all cases; return rights for businesses not expected to improve</p> |
|--|---|

[Operating Loss, Loss in Equity, Impairment Loss, and Unprofitable Transactions With Operating Subsidiaries]



Color formers business: Reduced operating losses significantly in the U.S. and Japan

- ▶ Decided to **end production in the U.S. at SOFIX LLC**, our manufacturing and sales base, and liquidate the company. Operating deficit amounted to **approx. ¥1.1 billion** in fiscal 2023
 - ▶ Aims to return to profitability for the full year in Japan by reducing unprofitable transactions **at Fukui Yamada Chemical Co., Ltd.**, a manufacturing subsidiary. Operating deficit amounted to **approx. ¥0.4 billion** in fiscal 2023
- Total Approx. **¥1.5 billion**

Cash Allocation in FY2024 and FY2025

Leverage interest-bearing debt to pursue growth investments and shareholder returns

Cash In

Adjusted operating CF

- ▶ Add back depreciation, R&D, and other investment-related expenses to operating income
- ▶ Exclude working capital fluctuations

Asset Replacement

- ▶ Reduce strategic cross-shareholdings, etc.

Expanding Interest-Bearing Debt Financing

- ▶ Obtain financing within a range that allows us to maintain credit ratings

Adjusted
operating
CF
¥80~
90 billion

Asset
Replacement
¥10~20
billion

Loan
¥110
billion

Maximize
Corporate
Value

Growth
Investments
¥150
billion

Shareholder
Returns
¥60~
70 billion

Cash Out

Growth Investments

- ▶ Consider M&A deals in the range of several tens of billions of yen on an ongoing basis
- ▶ Strengthen specific functions in the three areas of the Focus areas and acquire missing parts
- ▶ Allocate approx. ¥6 billion to R&D each year

Continue Increasing Dividends and Achieve a 100% Total Return Ratio

- ▶ Control net assets at around ¥400 billion

Major Cash Inflows and Outflows for FY2021-FY2023

	FY2021	FY2022	FY2023	3-year Cumulative Total		FY2021	FY2022	FY2023	3-year Cumulative Total
Operating CF after adjustments*	525	363	476	1,364	Dividends and share buybacks	124	139	178	442
Proceeds from sales of strategic cross-shareholdings, etc.	92	96	71	260	Investment in DX, R&D, etc	71	68	78	218
Decrease in working capital	—	—	330	330	Increase in working capital	631	200	—	831
Proceeds from change in interest-bearing debt	401	—	—	401	Expenses from change in interest-bearing debt	—	25	234	260
Other income	7	9	9	26	Other growth investments, etc	156	173	188	518
					Other expenditures	25	20	76	121
Total	1,026	469	888	2,384	Total	1,008	628	756	2,392

* Operating CF excluding the impact of changes in working capital, DX and R&D costs recorded as expenses, etc.

Review: Management Conscious of Capital Costs and Share Prices

— From the FY2023 Financial Briefing —

Policies to Enhance Corporate Value

Execute growth, financial, and capital strategies set forth in the Medium-Term Management Plan ACE 2.0

Current Issue Recognition

- PBR has been below 1x since FY2007
- Cost of equity is more than 8.0% based on dialogue with investors
- Strategic cross-shareholdings of approx. 15% of net assets

Matters to be Addressed

Profitability and Efficiency

- Permeation of ROIC management: Improve gross profit margin and capital turnover
- Reduce unprofitable businesses and unprofitable transactions in business targeted for improvement
- Reduce strategic cross-shareholdings in phases

Capital Costs

- Increase in Shareholder Returns: limited 100% total return ratio for two years
- Leverage debt in growth investments

IR Activities

- Make active disclosures of and expand dialogue with investors