

FY2024 First Quarter Financial Briefing

NAGASE&CO.,LTD.

Stock exchange listing : Tokyo (Prime Market)
Code number : 8012

August 8, 2024

*Embracing Authenticity,
Embracing Change*



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

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<Appendix>

- ✓ Sales, Gross Profit, and Operating Income by Quarter (Before Allocation of Corporate & Others)
- ✓ Review: Business Environment by Segment - From the FY2023 Financial Briefing

Consolidated Statements Income

- ▶ Gross profit was the highest ever for a first quarter; gross profit margin improved across all business segments
- ▶ Operating income increased and operating income ratio improved despite higher selling, general and administrative expenses, stemming from increased logistics costs, and higher personnel expenses
- ▶ Despite challenges in the Prinova Group manufacturing business, consolidated performance overall was favorable compared to our full-year forecast

100 millions of yen

	FY2023 1Q	FY2024 1Q	Change	Vs.PY	Forecast	Achievement
Sales	2,240	2,392	151	107%	9,400	25%
Gross profit	387	457	70	118%	1,800	25%
<Profit Ratio>	17.3%	19.1%	1.9ppt	—	19.1%	—
SG&A expenses	317	350	33	110%	1,435	—
Operating income	69	107	37	154%	365	29%
<Profit Ratio>	3.1%	4.5%	1.4ppt	—	3.9%	—
Ordinary income	73	109	36	149%	352	31%
Profit Attributable to owners of the parent	43	74	30	170%	280	26%
US\$ Exchange rate (period average)	@ 137.5	@ 155.9	@ 18.4	Weak yen	@ 148.0	
RMB Exchange rate (period average)	@ 19.6	@ 21.5	@ 1.9	Weak yen	@ 20.0	

※ Offset to sales and cost of sales from revenue recognition standards: FY2023 1Q -¥63.5 billion, FY2024 1Q -¥66.8 billion

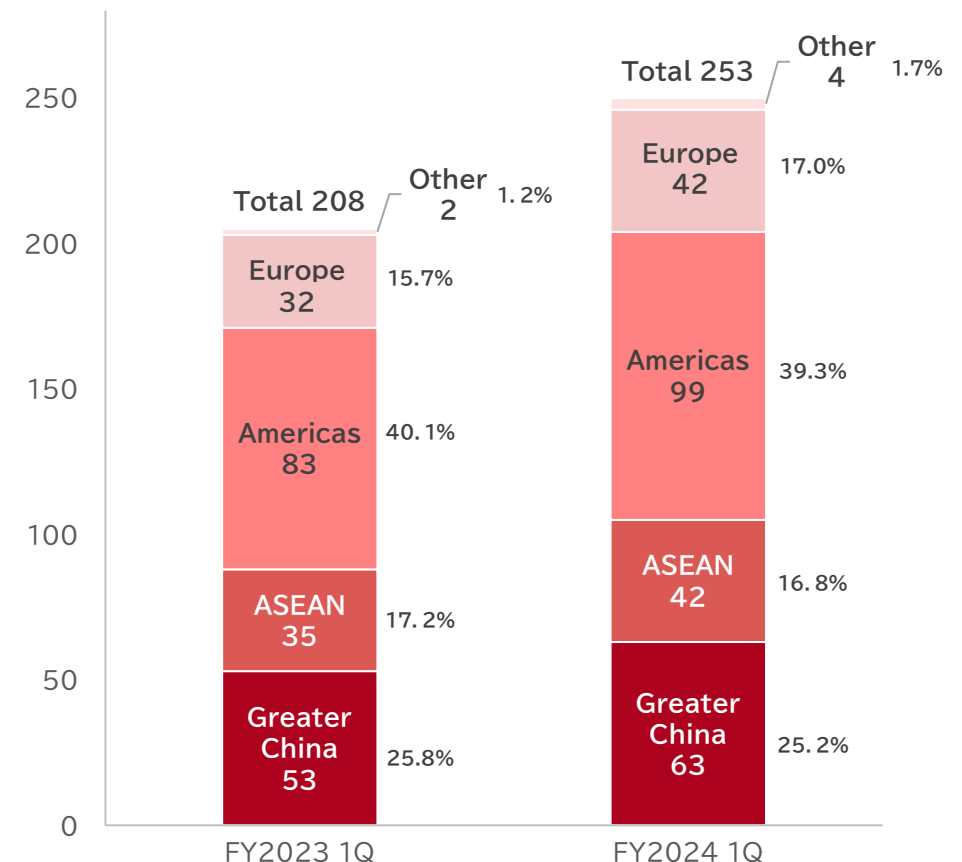
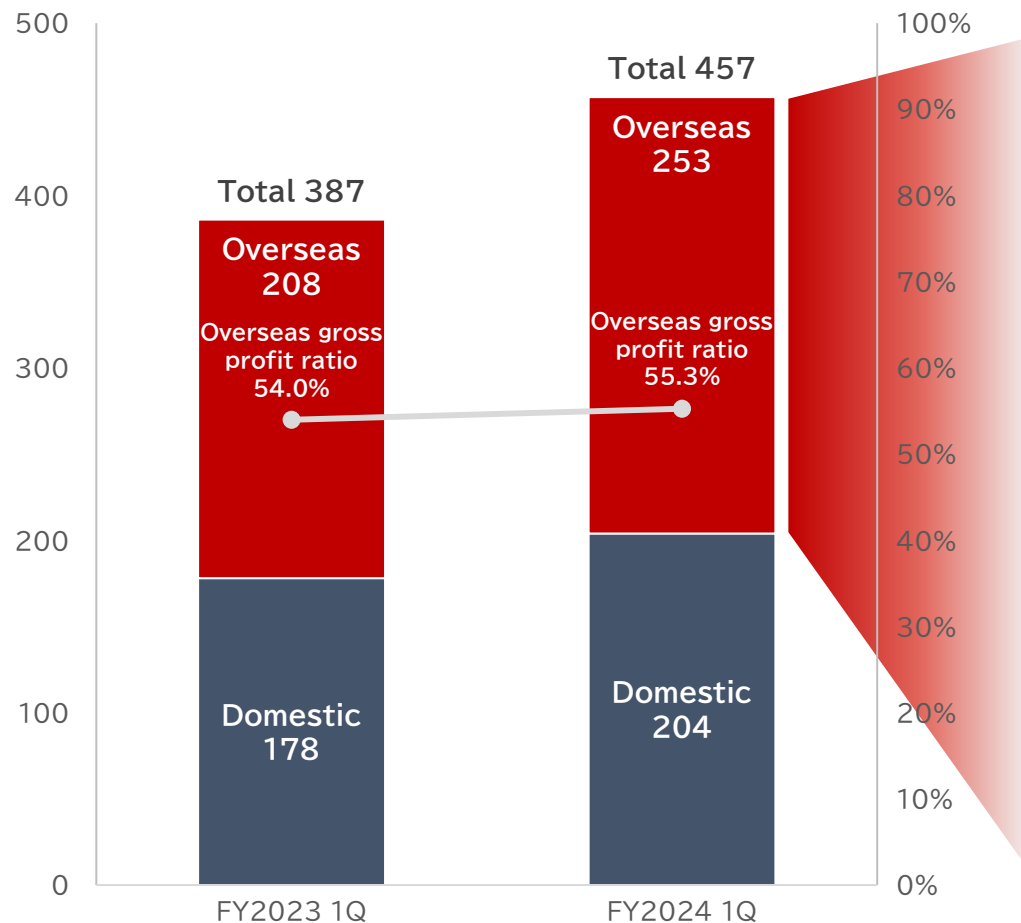
※ Impact from foreign exchange: Gross profit, +¥2.6 billion; Operating income, +¥0.6 billion

Gross Profit by Region

- ▶ Higher profit both domestic and overseas
- ▶ Increase in domestic business sales, mainly due to higher sales of formulated epoxy resins for semiconductor applications and sales of raw materials
- ▶ Overseas profit increased, mainly due to the impact of the weak yen and improved profitability in food ingredient sales, resin sales, etc.

Domestic & Overseas Gross profit(100 millions of yen)

Overseas gross profit By Region(100 millions of yen)

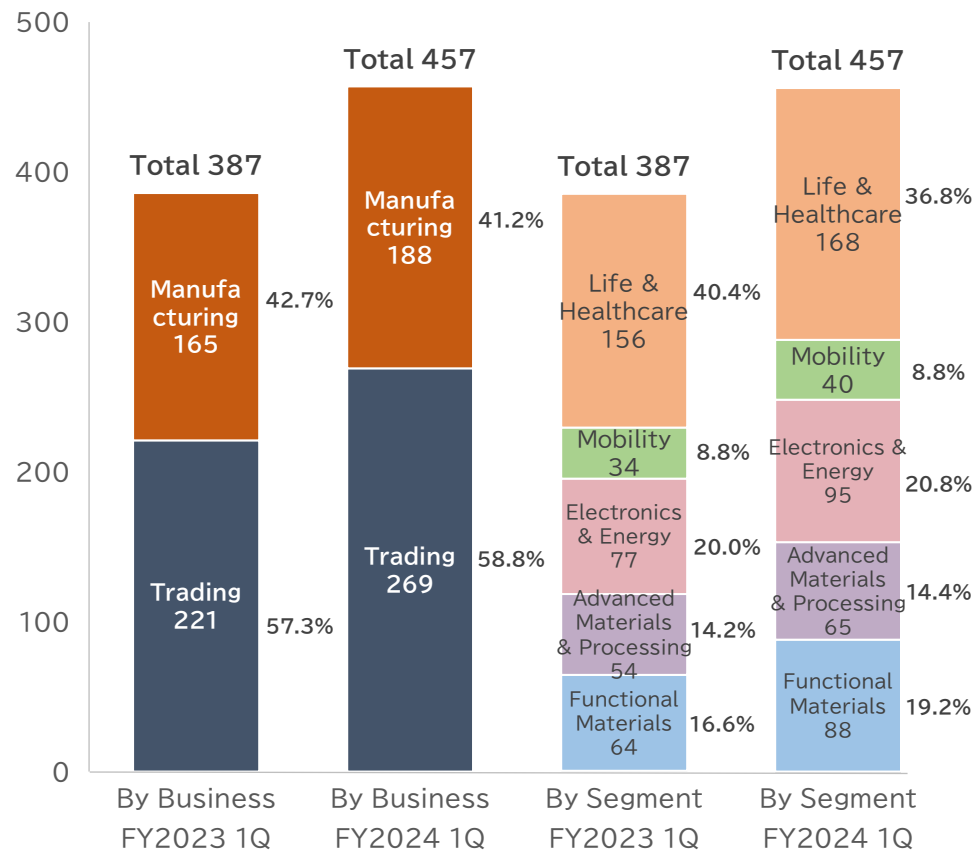


※Domestic figures under Domestic & Overseas Gross Profit include inter-regional adjustments

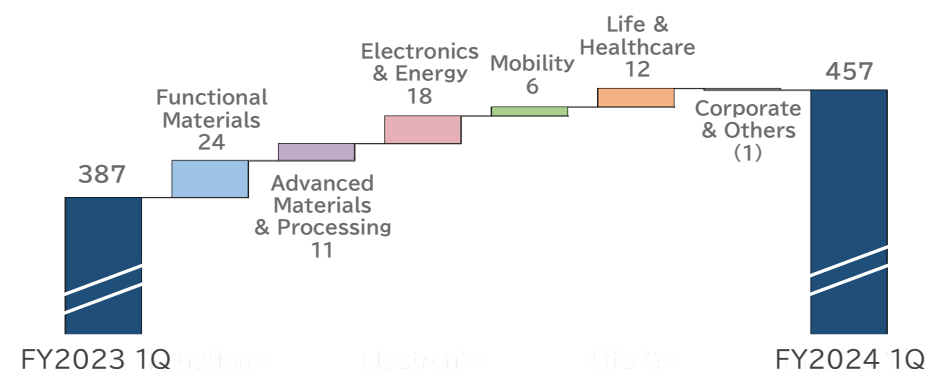
Gross Profit by Business & Segment

- ▶ Functional Materials saw an increase in profit with higher sales of coating materials and raw materials for the electronics industry, including semiconductor-related products; in addition, the color formers business (manufacturing business of the digital print processing materials manufacturing business) narrowed losses
- ▶ Higher profit in Advanced Materials & Processing due to a recovery in global demand for resins for office equipment and video game device applications in the electrical appliances and electronic industries, as well as recent signs of a rebound from a low in market conditions
- ▶ Profit in Electronics & Energy increased due to increased sales of raw materials for semiconductor-related products and formulated epoxy resins for semiconductor- and mobile device products
- ▶ Life & Healthcare profit increased, mainly due to strong sales of Prinova Group food ingredients

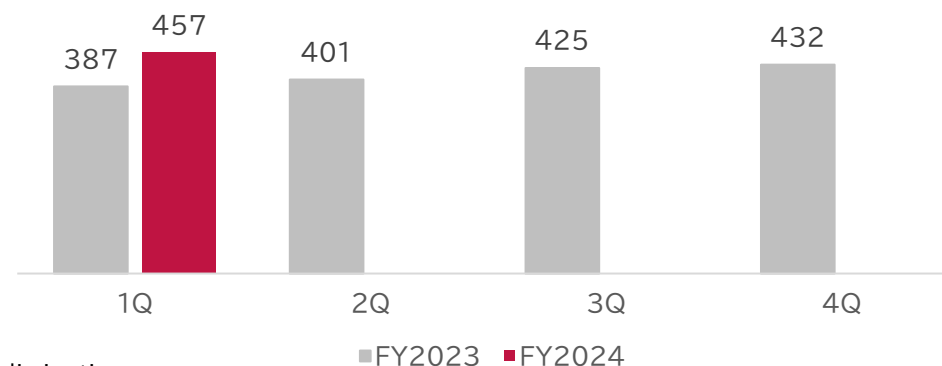
Gross Profit By Business & Segment (100 millions of yen)



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



History of Gross Profit(100 millions of yen)

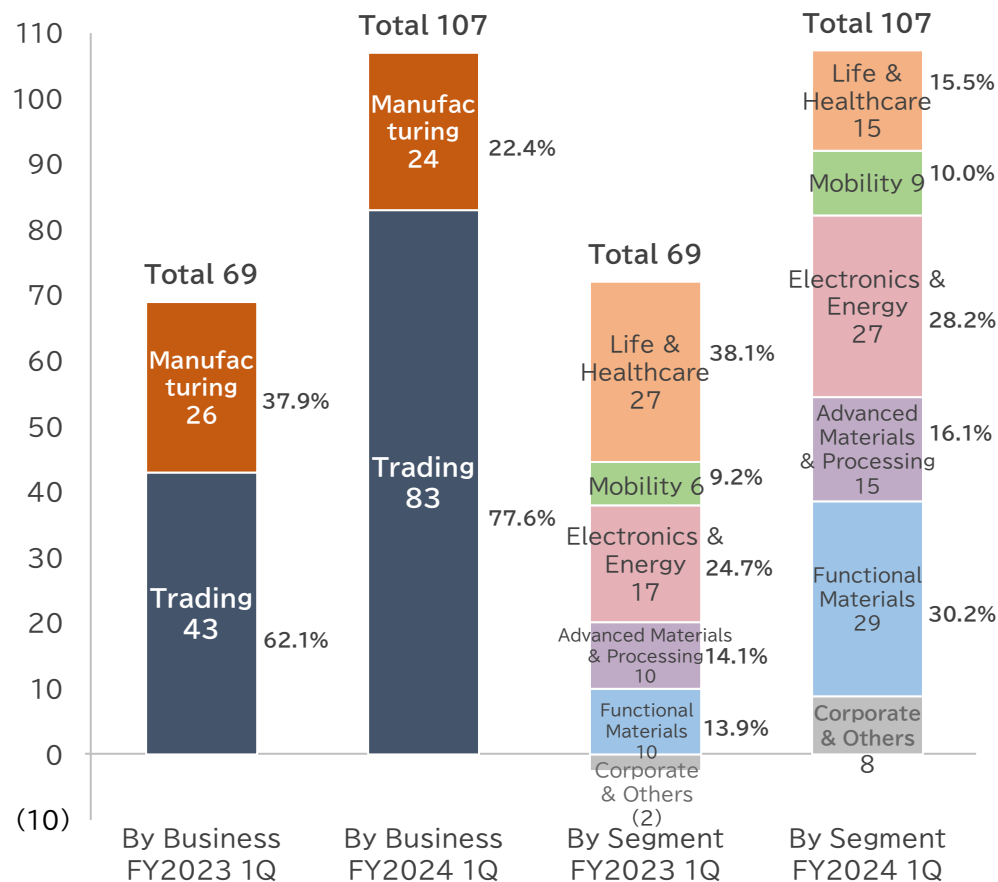


- * Trading company figures include Corporate & Others and eliminations
- * Certain eliminations for FY2023 have been reclassified to manufacturing
- * Calculation of segment composition ratios does not include Corporate & Others and eliminations

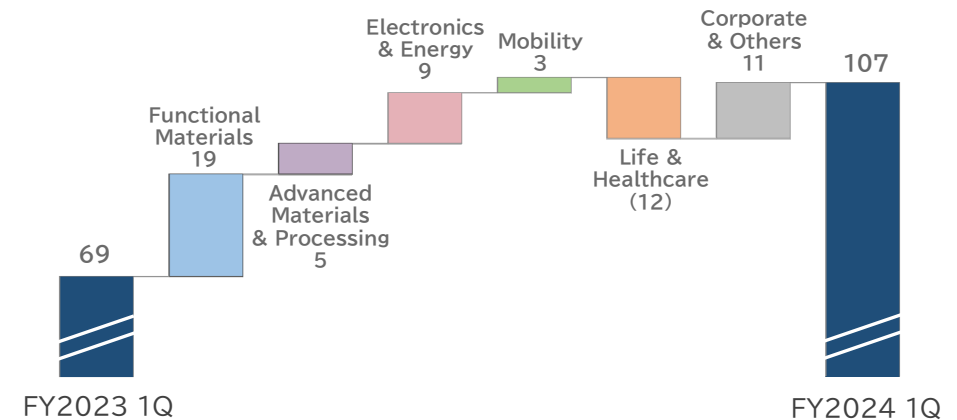
Operating Income by Business & Segment

- ▶ Despite strong sales of formulated epoxy resins by Nagase ChemteX and narrowed losses in the color formers business, manufacturing business operating income decreased overall, mainly due to the impact of lower profit in the Prinova Group
- ▶ Corporate & Others increased, mainly due to gain on the amortization of actuarial differences

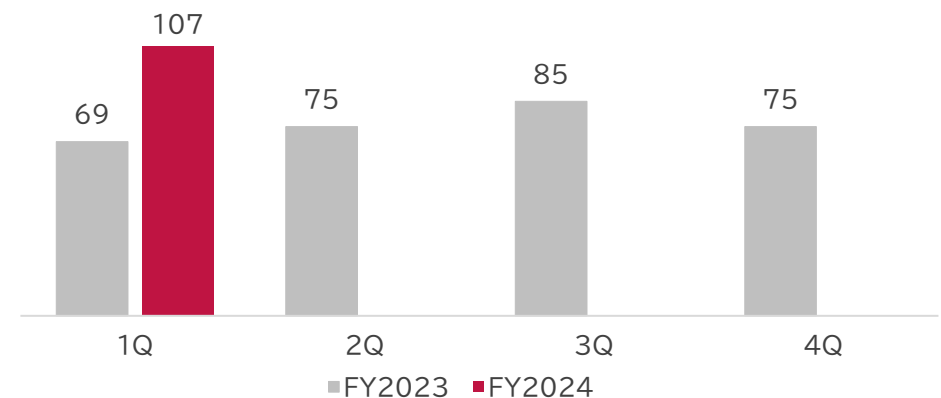
Operating Income by Business & Segment (100 millions of yen)



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



History of Operating Income (100 millions of yen)



- * Trading company figures include Corporate & Others and eliminations
- * Certain eliminations for FY2023 have been reclassified to manufacturing
- * Calculation of segment composition ratios does not include Corporate & Others and eliminations

Sales, Gross Profit and Operating Income by Quarter

► Ongoing strong performance in the second half of FY2023

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	1Q YTD	FY2024 forecast
							FY2023 Actual
Sales	FY2024	2,392				2,392	9,400
	FY2023	2,240	2,261	2,275	2,224	2,240	9,001
	YoY%	6.8%				6.8%	4.4%
Gross profit	FY2024	457				457	1,800
	FY2023	387	401	425	432	387	1,647
	YoY%	18.3%				18.3%	9.3%
<profit ratio>	FY2024	19.1%				19.1%	19.1%
	FY2023	17.3%	17.8%	18.7%	19.4%	17.3%	18.3%
Manufacturing	FY2024	188				188	
	FY2023	165	160	183	185	165	695
Trading	FY2024	269				269	
	FY2023	221	241	242	246	221	952
Operating income	FY2024	107				107	365
	FY2023	69	75	85	75	69	306
	YoY%	54.3%				54.3%	19.2%
<profit ratio>	FY2024	4.5%				4.5%	3.9%
	FY2023	3.1%	3.3%	3.8%	3.4%	3.1%	3.4%
Manufacturing	FY2024	24				24	
	FY2023	26	17	25	21	26	91
Trading	FY2024	83				83	
	FY2023	43	58	59	54	43	214

*Each profit measure for the trading company includes the effect of eliminations, but certain eliminations for FY2023 have been reclassified to manufacturing

Segment Overview

- ▶ Sales of coating materials rose, mainly due to strong sales to the automobile industry
- ▶ Sales increased for raw materials for the electronics industry, including semiconductor-related products
- ▶ Losses narrowed in the color formers business (digital print processing materials manufacturing business) due to the suspension of production in the U.S. and consolidation of the manufacturing base to Japan
- ▶ Operating income increased year on year (loss in the color formers business in the previous year when sales stagnated generally due to inventory adjustments among customers)

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	1Q YTD	FY2024 forecast	FY2023 Actual
Sales	FY2024	405				405		1,550
	FY2023	364	357	375	370	364		1,468
	YoY%	11.4%				11.4%		5.6%
Gross profit	FY2024	88				88		306
	FY2023	64	68	73	75	64		281
	YoY%	37.8%				37.8%		8.8%
<profit ratio>	FY2024	21.8%				21.8%		19.7%
	FY2023	17.6%	19.1%	19.5%	20.4%	17.6%		19.2%
Manufacturing	FY2024	6				6		8
	FY2023	1	1	2	3	1		8
Trading	FY2024	82				82		272
	FY2023	62	66	71	71	62		272
Operating income	FY2024	29				29		68
	FY2023	10	14	19	17	10		61
	YoY%	197.2%				197.2%		10.4%
<profit ratio>	FY2024	7.3%				7.3%		4.4%
	FY2023	2.7%	4.1%	5.1%	4.8%	2.7%		4.2%
Manufacturing	FY2024	2				2		(9)
	FY2023	(3)	(2)	(2)	(1)	(3)		(9)
Trading	FY2024	27				27		71
	FY2023	13	17	21	19	13		71

[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, 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.)

※ Metal Organic Frameworks (metal-organic structures)



Topics: Improve Business Initiatives

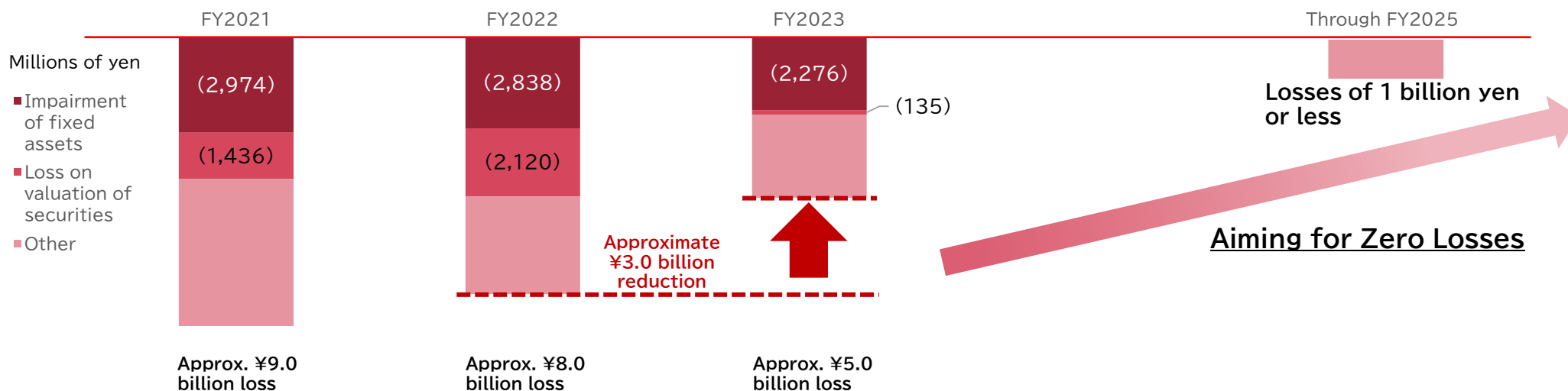
- ▶ We halted production at SOFIX, a color formers manufacturing subsidiary, last fiscal year
- ▶ We made the decision to withdraw from the color formers business in the U.S.

SOFIX LLC

- ▶ Color formers manufacturing and sales base in Tennessee, U.S.A., posting an operating loss of ¥1.1 billion for FY2023
- ▶ Significantly narrowed operating loss in FY2024, contributing to improved gross profit and operating income in the Functional Materials segment

Group-Wide Initiatives

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



Segment Overview

- ▶ Resin sales increased with the recovery in demand for office equipment applications in the electric and electronic industries
- ▶ Sales of resin mold products increased for the manufacturing sector
- ▶ Operating income increased due to an increase in gross profit as profitability continued to recover from a bottom in the resin sales market

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	1Q YTD	FY2024 forecast FY2023 Actual
Sales	FY2024	535				535	2,072
	FY2023	485	536	477	485	485	1,985
	YoY%	10.2%				10.2%	4.4%
Gross profit	FY2024	65				65	248
	FY2023	54	61	61	57	54	236
	YoY%	20.1%				20.1%	5.0%
<profit ratio>	FY2024	12.3%				12.3%	12.0%
	FY2023	11.3%	11.5%	13.0%	11.9%	11.3%	11.9%
Manufacturing	FY2024	12				12	49
	FY2023	11	12	14	11	11	
Trading	FY2024	53				53	186
	FY2023	43	49	47	46	43	
Operating income	FY2024	15				15	55
	FY2023	10	15	16	11	10	53
	YoY%	56.3%				56.3%	3.5%
<profit ratio>	FY2024	3.0%				3.0%	2.7%
	FY2023	2.1%	2.9%	3.4%	2.3%	2.1%	2.7%
Manufacturing	FY2024	2				2	8
	FY2023	1	2	3	0	1	
Trading	FY2024	13				13	44
	FY2023	8	13	12	10	8	

[Key Measures]

Polymer Global Account Dept.

- ▶ 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



In-house technology to convert powders into ultra-high density pellets



Logistics hub in ASEAN (Philippines)

Segment Overview

- ▶ Sales of materials to the semiconductor industry increased due to the moderate market recovery
- ▶ Sales of materials for electronic devices increased due to higher demand
- ▶ Sales of formulated epoxy resins increased high-end server applications and mobile device applications
- ▶ Operating income increased due to improved gross profit

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
Sales	FY2024	400				400	1,493	
	FY2023	355	356	375	360	355	1,447	
	YoY%	12.8%				12.8%	3.1%	
Gross profit	FY2024	95				95	377	
	FY2023	77	86	85	92	77	342	
	YoY%	23.7%				23.7%	10.1%	
<profit ratio>	FY2024	23.8%				23.8%	25.3%	
	FY2023	21.7%	24.2%	22.9%	25.8%	21.7%	23.6%	
Manufacturing	FY2024	33				33		
	FY2023	27	31	33	39	27	131	
Trading	FY2024	62				62		
	FY2023	50	54	52	53	50	210	
Operating income	FY2024	27				27	86	
	FY2023	17	24	21	25	17	88	
	YoY%	55.5%				55.5%	(2.8%)	
<profit ratio>	FY2024	6.9%				6.9%	5.8%	
	FY2023	5.0%	6.9%	5.6%	6.9%	5.0%	6.1%	
Manufacturing	FY2024	7				7		
	FY2023	4	8	8	11	4	34	
Trading	FY2024	19				19		
	FY2023	12	15	12	13	12	54	

[Key Measures]

Electronics Dept.

- ▶ Expansion of commercial products in the semiconductor market
 - Create businesses 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
- ▶ Propose and implement new technologies that will become the industry standard for next-generation semiconductors
- ▶ Expand proposals further for environment X semiconductor X technology



New semiconductor wafer bumping line
at PacTech Asia

Topics: Semiconductor-Related Developments

- ▶ Expanding business in advanced semiconductors for high-end servers
- ▶ Pursuing proposals for new concept materials (a-SMC: advanced sheet molding compound) aiming to become the de facto standard for the next generation; with expected strong and growing demand for existing liquid molding compound (LMC), Nagase ChemteX has decided to expand production facilities
- ▶ Put supply system in place to launch business for the recovery and recycling of developer used in semiconductor plants in Japan

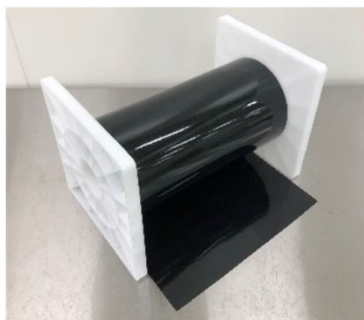
Expansion of the Nagase ChemteX LMC *production line

▶ Additional line at the Harima Plant

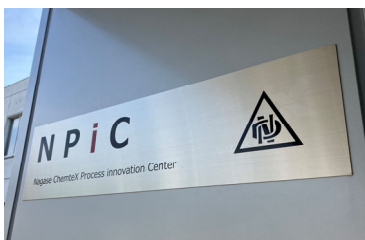
- We decided to expand production systems in anticipation of the recent increase in demand in the business for high-end servers, including servers for generative AI
- Doubled production capacity by adding lines at existing plant; full-scale operations scheduled to start in 2H
- Plans to expand facilities flexibly in response to market demand in the future



LMC



a-SMC



Nagase ChemteX Process Innovation Center



SN Tech business for the recovery and recycling of developer solution

▶ Solutions responding to environmental requirements in semiconductor manufacturing

- Reduce industrial waste disposal costs significantly, in addition to Tetramethyl Ammonium Hydroxide (TMAH) and water reuse

▶ MOBIUS SYSTEM® CHEMICAL RECYCLING

- Innovative technology that allows the recycled use of TMAH recovered in the manufacturing process

- Developed by SN Tech's JV partner SACHEM (privately held U.S. chemical company founded in 1950), which has expert knowledge and technology related to chemicals

▶ Completed delivery of large-scale equipment to customer's plant in July

- Large-scale equipment to recover TMAH from semiconductor plants delivered, expected to start operations in 2025 or later



Segment Overview

- ▶ Despite the impact of lower production volume among Japanese customers in China, Resin sales increased with the global increase in automobile production volume
- ▶ Sales increased in functional materials and functional components for interior and exterior fittings and electrification
- ▶ Operating income increased due to improved gross profit

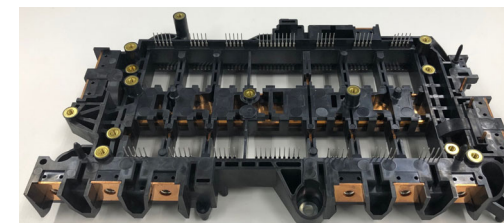
100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	1Q YTD	FY2024 forecast
							FY2023 Actual
Sales	FY2024	321				321	1,387
	FY2023	311	337	353	319	311	1,321
	YoY%	3.1%				3.1%	5.0%
Gross profit	FY2024	40				40	160
	FY2023	34	39	41	37	34	152
	YoY%	17.8%				17.8%	5.0%
<profit ratio>	FY2024	12.5%				12.5%	11.5%
	FY2023	11.0%	11.8%	11.7%	11.6%	11.0%	11.5%
Manufacturing	FY2024	—				—	—
	FY2023	—	—	—	—	—	—
Trading	FY2024	40				40	152
	FY2023	34	39	41	37	34	152
Operating income	FY2024	9				9	32
	FY2023	6	10	11	7	6	36
	YoY%	49.7%				49.7%	(11.5%)
<profit ratio>	FY2024	3.1%				3.1%	2.3%
	FY2023	2.1%	3.1%	3.3%	2.3%	2.1%	2.7%
Manufacturing	FY2024	—				—	—
	FY2023	—	—	—	—	—	—
Trading	FY2024	9				9	36
	FY2023	6	10	11	7	6	36

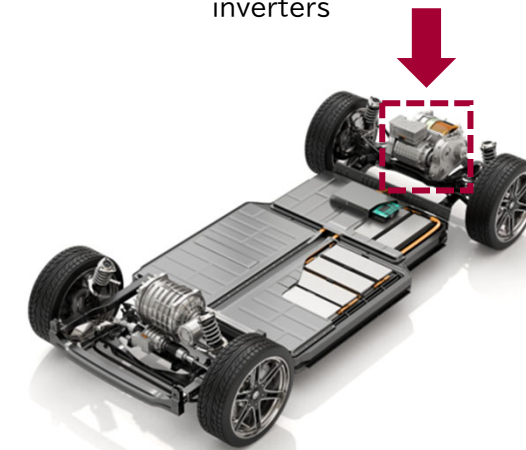
[Key Measures]

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



Segment Overview

- ▶ Prinova Group recovered profitability and increased sales year on year, after the decline in the food ingredients market in the previous year
- ▶ Nagase Viita cosmetic material sales increased in Japan, but declined overseas due to inventory adjustments, etc., among customers
- ▶ Increased sales of intermediates and pharmaceutical raw materials
- ▶ Operating income decreased, despite an increase in gross profit, mainly due to an increase in selling, general and administrative expenses (e.g. personnel expenses) at the Prinova Group

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	1Q YTD	FY2024 forecast
		1Q	2Q	3Q	4Q	YTD	FY2023 Actual
Sales	FY2024	728				728	2,897
	FY2023	723	673	693	687	723	2,777
	YoY%	0.7%				0.7%	4.3%
Gross profit	FY2024	168				168	710
	FY2023	156	145	163	168	156	634
	YoY%	8.0%				8.0%	11.9%
<profit ratio>	FY2024	23.2%				23.2%	24.5%
	FY2023	21.6%	21.6%	23.6%	24.5%	21.6%	22.8%
Manufacturing	FY2024	136				136	
	FY2023	125	114	133	131	125	505
Trading	FY2024	32				32	
	FY2023	30	30	30	37	30	129
Operating income	FY2024	15				15	94
	FY2023	27	13	19	20	27	80
	YoY%	(44.5%)				(44.5%)	17.4%
<profit ratio>	FY2024	2.1%				2.1%	3.2%
	FY2023	3.8%	1.9%	2.8%	3.0%	3.8%	2.9%
Manufacturing	FY2024	11				11	
	FY2023	23	9	15	12	23	60
Trading	FY2024	4				4	
	FY2023	4	3	3	8	4	19

*Each profit measure for the trading company includes the effective 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 Prinova Group manufacturing

※1 Nagase Viita

※2 Nagase Bio-Innovation Center



Expected Effects by ergothioneine

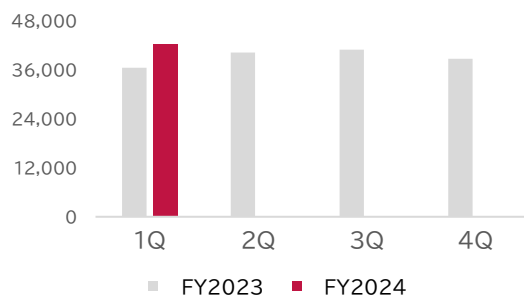
Topics: Current Status of the Prinova Group

- ▶ Trading company business continued to see an increase in sales volume and improving profit margins
- ▶ Manufacturing is making progress in efficiency with production system concerns resolved; we expect profits to recover beginning in the second half of FY2024

Trading

- ▶ Sales volume is increasing as market share continues to expand
- ▶ Gross profit margin is improving compared to FY2023, when the market was affected by a sharp decline due to oversupply by Chinese food ingredient manufacturers
- ▶ Market conditions should improve further due to production adjustments by Chinese food ingredient manufacturers
- ▶ Despite risks of logistics disruptions due to the closure of the Suez Canal, the increase in the number of days required for logistics, and container shortages, we have high expectations for stable procurement through Prinova Group functions

Sales Volume Trend
(Trading)



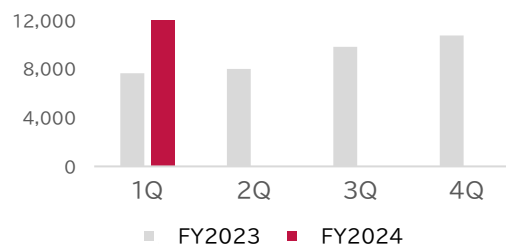
Ingredient distribution



Manufacturing

- ▶ Utah Plant
 - Despite delays, we completed the manufacturing automation process to the level envisioned originally
 - At the same time, the sports nutrition industry as a whole is growing, even with shades of gray among customers
 - We acquired a contract processing pipeline of products with the potential for high market share; however, many of these products will start between the second half of FY2024 and FY2025
- ▶ Tennessee Plant
 - Pursuing automation in stick pack production (product answering market needs for individual packaging); we expect labor costs to decline in the future
 - We expect profit contribution to begin in 2H FY2024 as sales increase due to demand growth and cost reductions stemming from automation

Sales Volume
(Manufacturing)



Overview of Major Manufacturing Subsidiaries

- ▶ Nagase ChemteX: Increase in operating income due to strong sales of formulated epoxy resin used in high-end server applications
- ▶ Nagase Viita: Despite strong domestic sales of food products and cosmetic ingredients, operating income decreased due to lower sales of cosmetic material for overseas markets, mainly due to inventory adjustments
- ▶ Prinova Group: Gross profit increased due to higher sales volume and improved profit margins in food ingredients sales; operating income decreased due to higher selling, general and administrative expenses and weak performance in manufacturing

100 millions of yen

		FY2023 1Q	FY2024 1Q	Change	Vs.PY	Forecast	Forecast Comparison
Nagase ChemteX Corporation	Sales	57	66	8	115%	261	25%
	Gross profit	17	20	3	120%	80	26%
	<profit ratio>	30.2%	31.6%	1.4ppt	-	30.7%	-
	Operating income	5	7	2	144%	26	28%
	<profit ratio>	9.2%	11.5%	2.3ppt	-	10.3%	-
Nagase Viita Co., Ltd.	Sales	89	86	(3)	97%	369	23%
	Gross profit	34	33	(1)	96%	140	24%
	<profit ratio>	38.4%	38.2%	(0.2ppt)	-	37.9%	-
	Operating income	16	13	(3)	80%	57	23%
	<profit ratio>	18.4%	15.3%	(3.1ppt)	-	15.4%	-
	Goodwill amortization etc.	7	7	-	100%	29	26%
	Operating income after amortization burden	8	5	(3)	63%	27	20%
*Prinova Group	Sales	516	504	(11)	98%	2,091	24%
	Gross profit	87	99	12	114%	421	24%
	<profit ratio>	16.9%	19.7%	2.8ppt	-	20.2%	-
	Operating income	19	13	(6)	68%	81	17%
	<profit ratio>	3.8%	2.7%	(1.1ppt)	-	3.9%	-
	Goodwill amortization etc.	6	6	0	112%	27	25%
	Operating income after amortization burden	13	6	(6)	49%	54	12%

* 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

Consolidated Balance Sheets

► Working capital increased due to strong performance and the impact of the weak yen
(US\$ conversion rate: ¥151.4 (March 31, 2024); ¥161.1 (June 30, 2024))
(RMB conversion rate: ¥20.8 (March 31, 2024); ¥22.0 (June 30, 2024))

100 millions of yen

	2024/03	2024/06	Change	Details
Total Current Assets	5,424	5,718	293	
(Cash&deposits)	594	583	(10)	
(Trade account receivable)	3,211	3,333	122	
(Inventories)	1,479	1,595	116	
Total non-current assets	2,498	2,583	85	
(Investments in security)	762	790	28	
Total assets	7,923	8,302	379	
Current Liab.	3,026	3,184	157	Short-term loans•CP +98, Provision for Bonus (34)
(Trade account payable)	1,563	1,660	96	
Non-current Liab.	883	969	86	Non-Current Loan Pay. +74
Total Liab.	3,910	4,154	244	
Shareholders' equity	3,128	3,123	(5)	
Accum. Other Comprehensive Income	812	946	133	Translation Adjustment +124
Non-controlling interest	72	78	6	
Total net assets	4,013	4,148	134	
Working capital	3,127	3,269	141	
Shareholders' equity ratio	49.7%	49.0%	(0.7ppt)	
Interest-bearing debt	1,669	1,827	158	
NET D/E ratio	0.27	0.31	0.03	

Consolidated Cash Flows

► Profit attributable to owners of the parent increased due to strong business performance; however, working capital also increased, resulting in a ¥3.0 billion outflow in CF from operations

100 millions of yen

	FY2023 1Q	FY2024 1Q
Operating CF	158	(30)
(Income before income taxes)	64	107
(Depreciation and amortization)	39	44
(Change in working capital)	153	(45)
(Other)	(97)	(137)
Investing CF	(40)	(82)
(Fixed asset investment)	(40)	(41)
(Other)	0	(40)
Free CF	118	(112)
Financing CF	(136)	33
(Share buybacks)	(32)	(33)
(Dividends paid)	(46)	(45)
(Change in loans and bonds)	(55)	115
(Other)	(1)	(2)
Effects of exchange rate	33	40
Net increase / decrease in cash and cash equivalents	16	(38)

FY2024 Earnings Projection (No Change)

- ▶ We expect to increase manufacturing earnings in our semiconductor-related and food-related businesses
 - ▶ We expect trading business resin sales to recover, while the automobile-related business should also see firm performance
 - ▶ 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: Approximately ¥0.9 billion expense in fiscal 2023 and approximately ¥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%
<Profit Ratio>	18.3%	19.1%	0.8ppt	-
SG&A expenses	1,341	1,435	93	107%
Operating income	306	365	58	119%
<Profit 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

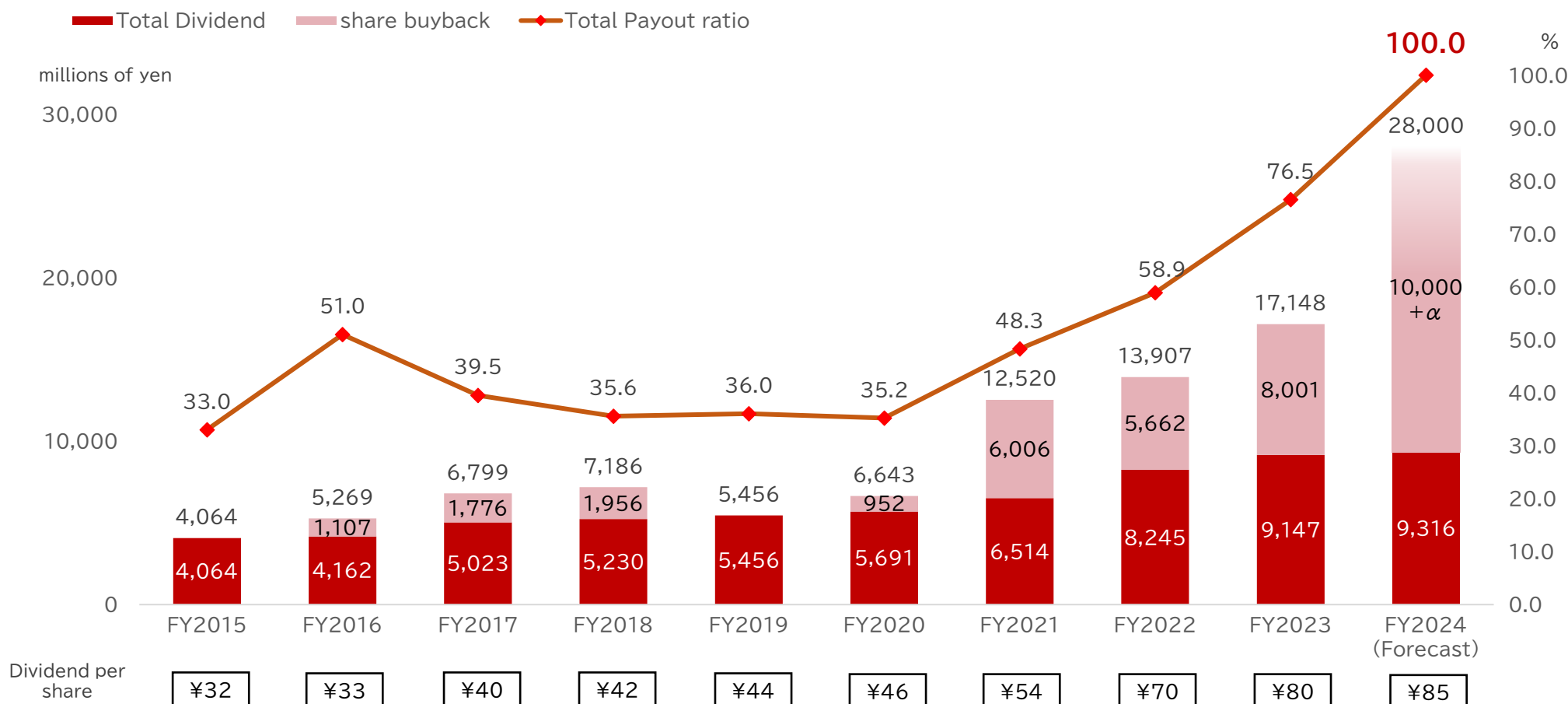
FY2024 Earnings Projection By segment (No Change)

- ▶ Higher sales and profit in Functional Materials recorded, mainly due to increased automobile-related sales and narrower losses in the color formers business
- ▶ Higher sales and profit in Advanced Materials & Processing, mainly due to increased sales of resin for office equipment applications in the electric and electronic industries
- ▶ Higher sales and lower profit in Electronics & Energy, as we expect sales to increase with stronger performance at Nagase ChemteX for formulated epoxy resins used in high-end servers; despite expected higher gross profit, operating income will likely decrease due to higher allocation of company-wide shared expenses
- ▶ Higher sales and lower profit in Mobility as we expect stronger performance in resins, functional materials, and functional components; despite expected higher gross profit, operating income will likely decrease due to higher allocation of company-wide shared expenses
- ▶ Life & Healthcare sales and profit increased, mainly due to a recovery in Prinova Group food-ingredient profitability, which recovered from a market low point, and increased food product and cosmetic material sales at Nagase Viita

		100 millions of yen			
		FY2023 Actual	FY2024 forecast	Change	Vs.PY
Functional Materials	Sales	1,468	1,550	81	106%
	Gross profit	281	306	24	109%
	<profit ratio>	19.2%	19.7%	0.6ppt	—
	Operating income	61	68	6	110%
	<profit ratio>	4.2%	4.4%	0.2ppt	—
Advanced Materials & Processing	Sales	1,985	2,072	86	104%
	Gross profit	236	248	11	105%
	<profit ratio>	11.9%	12.0%	0.1ppt	—
	Operating income	53	55	1	104%
	<profit ratio>	2.7%	2.7%	(0.0ppt)	—
Electronics & Energy	Sales	1,447	1,493	45	103%
	Gross profit	342	377	34	110%
	<profit ratio>	23.6%	25.3%	1.6ppt	—
	Operating income	88	86	(2)	97%
	<profit ratio>	6.1%	5.8%	(0.4ppt)	—
Mobility	Sales	1,321	1,387	65	105%
	Gross profit	152	160	7	105%
	<profit ratio>	11.5%	11.5%	0.0ppt	—
	Operating income	36	32	(4)	89%
	<profit ratio>	2.7%	2.3%	(0.4ppt)	—
Life & Healthcare	Sales	2,777	2,897	119	104%
	Gross profit	634	710	75	112%
	<profit ratio>	22.8%	24.5%	1.7ppt	—
	Operating income	80	94	13	117%
	<profit ratio>	2.9%	3.2%	0.4ppt	—
Corporate&Others	Sales	1	1	(0)	68%
	Gross profit	0	(1)	(1)	—
	Operating income	(13)	30	43	—
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	—

Shareholder Returns

- ▶ We plan to pay an interim dividend of ¥40 per share and a year-end dividend of ¥45 per share for an annual dividend of ¥85 per share for fiscal 2024 (expected 15th consecutive fiscal year of dividend increases)
- ▶ We changed our policy for shareholder returns compared under **ACE 2.0** in May 2024, establishing a **total return ratio of 100%** for FY2024 and FY2025 (no change in policy regarding continuing dividend increases)
- ▶ Based on the policy above, the ¥10 billion in share buybacks approved in May 2024 is progressing as planned; total of ¥3.3 billion in share buybacks as of June 30
(Purchase period: Scheduled for May 2024 to October 2024) *Additional returns after November will be approved under a separate resolution



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

Notice: Relocation of Nagoya Branch Office

- ▶ Nagoya Branch moved to new location and started operations on July 16, 2024
- ▶ As with the Tokyo Head Office, this new office is an activity based workplace (ABW), fostering an environment that encourages diverse and creative work styles

About the New Nagoya Office

Former Nagoya Branch



Former Nagoya Branch Address

3-14-18, Marunouchi, Naka-ku, Nagoya City, Aichi Prefecture 460-8540, Japan

<Tenant Building>
Dai Nagoya Building

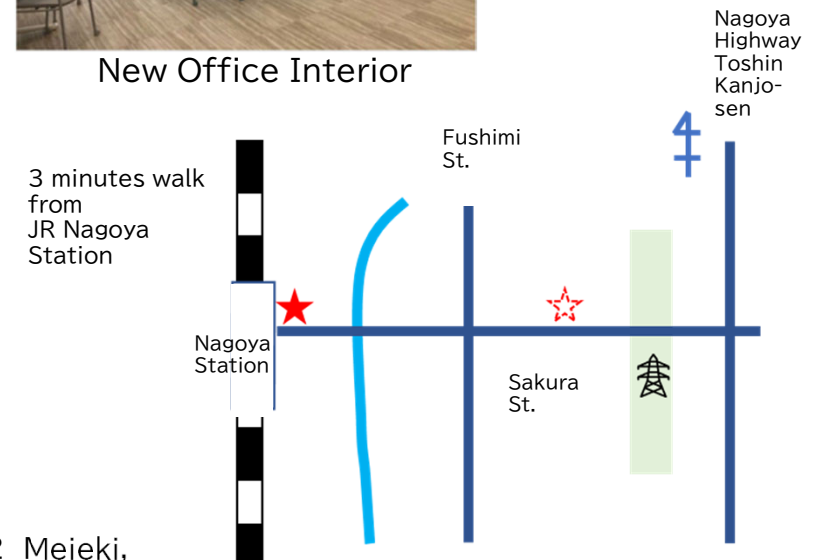


New Address

Dai Nagoya Building 30F, 3-28-12 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture 450-6430, Japan



New Office Interior



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2024年10月12日(土)・13日(日)

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■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 August 5, 2024. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

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

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Total								
Sales	FY2024	2,392				2,392	9,400	
	FY2023	2,240	2,261	2,275	2,224	2,240	9,001	
	YoY%	6.8%				6.8%	4.4%	
Gross profit	FY2024	457				457	1,800	
	FY2023	387	401	425	432	387	1,647	
	YoY%	18.3%				18.3%	9.3%	
<profit ratio>	FY2024	19.1%				19.1%	19.1%	
	FY2023	17.3%	17.8%	18.7%	19.4%	17.3%	18.3%	
Operating income	FY2024	107				107	365	
	FY2023	69	75	85	75	69	306	
	YoY%	54.3%				54.3%	19.2%	
<profit ratio>	FY2024	4.5%				4.5%	3.9%	
	FY2023	3.1%	3.3%	3.8%	3.4%	3.1%	3.4%	

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Advanced Materials & Processing (Polymer Global Account Dept.)								
Sales	FY2024	535				535	2,072	
	FY2023	485	536	477	485	485	1,985	
	YoY%	10.2%				10.2%	4.4%	
Gross profit	FY2024	65				65	248	
	FY2023	54	61	61	57	54	236	
	YoY%	20.1%				20.1%	5.0%	
<profit ratio>	FY2024	12.3%				12.3%	12.0%	
	FY2023	11.3%	11.5%	13.0%	11.9%	11.3%	11.9%	
Operating income	FY2024	20				20	77	
	FY2023	13	19	20	15	13	68	
	YoY%	50.2%				50.2%	13.2%	
<profit ratio>	FY2024	3.8%				3.8%	3.7%	
	FY2023	2.8%	3.6%	4.2%	3.1%	2.8%	3.4%	

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Mobility (Mobility Solutions Dept.)								
Sales	FY2024	321				321	1,387	
	FY2023	311	337	353	319	311	1,321	
	YoY%	3.1%				3.1%	5.0%	
Gross profit	FY2024	40				40	160	
	FY2023	34	39	41	37	34	152	
	YoY%	17.8%				17.8%	5.0%	
<profit ratio>	FY2024	12.5%				12.5%	11.5%	
	FY2023	11.0%	11.8%	11.7%	11.6%	11.0%	11.5%	
Operating income	FY2024	13				13	51	
	FY2023	9	13	14	10	9	49	
	YoY%	44.6%				44.6%	3.4%	
<profit ratio>	FY2024	4.3%				4.3%	3.7%	
	FY2023	3.0%	4.1%	4.2%	3.4%	3.0%	3.7%	

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Functional Materials (Performance Chemicals Dept., Speciality Chemicals Dept.)								
Sales	FY2024	405				405	1,550	
	FY2023	364	357	375	370	364	1,468	
	YoY%	11.4%				11.4%	5.6%	
Gross profit	FY2024	88				88	306	
	FY2023	64	68	73	75	64	281	
	YoY%	37.8%				37.8%	8.8%	
<profit ratio>	FY2024	21.8%				21.8%	19.7%	
	FY2023	17.6%	19.1%	19.5%	20.4%	17.6%	19.2%	
Operating income	FY2024	37				37	105	
	FY2023	15	21	25	24	15	86	
	YoY%	140.7%				140.7%	21.7%	
<profit ratio>	FY2024	9.1%				9.1%	6.8%	
	FY2023	4.2%	6.0%	6.7%	6.6%	4.2%	5.9%	

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Electronics & Energy (Electronics Dept., Advanced Functional Materials Dept.)								
Sales	FY2024	400				400	1,493	
	FY2023	355	356	375	360	355	1,447	
	YoY%	12.8%				12.8%	3.1%	
Gross profit	FY2024	95				95	377	
	FY2023	77	86	85	92	77	342	
	YoY%	23.7%				23.7%	10.1%	
<profit ratio>	FY2024	23.8%				23.8%	25.3%	
	FY2023	21.7%	24.2%	22.9%	25.8%	21.7%	23.6%	
Operating income	FY2024	34				34	124	
	FY2023	23	31	27	31	23	113	
	YoY%	50.6%				50.6%	9.5%	
<profit ratio>	FY2024	8.7%				8.7%	8.3%	
	FY2023	6.5%	8.7%	7.3%	8.8%	6.5%	7.8%	

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2024 forecast	FY2023 Actual
		1Q	2Q	3Q	4Q	YTD		
Life & Healthcare (Life & Healthcare Products Dept.)								
Sales	FY2024	728				728	2,897	
	FY2023	723	673	693	687	723	2,777	
	YoY%	0.7%				0.7%	4.3%	
Gross profit	FY2024	168				168	710	
	FY2023	156	145	163	168	156	634	
	YoY%	8.0%				8.0%	11.9%	
<profit ratio>	FY2024	23.2%				23.2%	24.5%	
	FY2023	21.6%	21.6%	23.6%	24.5%	21.6%	22.8%	
Operating income	FY2024	21				21	125	
	FY2023	32	19	24	26	32	103	
	YoY%	(34.8%)				(34.8%)	21.1%	
<profit ratio>	FY2024	2.9%				2.9%	4.3%	
	FY2023	4.5%	2.9%	3.6%	3.9%	4.5%	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)

Review : Business Environment by Segment

— From the FY2023 Financial Briefing —



Industry	FY2023 Trends		FY2024 Trends		Segment
Coatings	Gradual recovery in automotive applications, but sluggish construction-related applications		Automotive applications to remain strong, but generally flat overall		Functional Materials
Color Formers	Demand remained weak and market conditions declined further		Oversupply to continue while market conditions remain sluggish		
Semiconductors	High-end applications performed well despite slow market recovery		Moderate recovery, full-scale recovery in the second half of the fiscal year, with sales of high-end applications to continue strong		
Display	Sluggish shipments of smartphones, etc., throughout the fiscal year		Demand to recover year on year		Electronics & Energy
Smartphones	Sluggish shipments throughout the year		Expected growth year on year		
OA and Games	Resin market conditions declined due to sluggish global demand		Overall demand and resin market conditions to make a moderate recovery		Advanced Materials & Processing
Automobiles	The Japanese automotive-related industry in China was sluggish, while sales in Japan were steady due to a recovery in the semiconductor shortage		Moderate recovery in automobile production to continue		Mobility
Medical	Sluggish overall industry performance		Demand to increase while sales of raw materials decrease due to patent expiration of brand-name drugs, etc.		Life & Healthcare
Cosmetics	Demand increased due to the end of the COVID-19 pandemic		Overall demand to continue to recover		
Food	Demand began recovering in the second half of the year, despite lower demand in the U.S. market and weak market conditions		Demand in the U.S. market to continue to recover		

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