

FYE March 2018 First Quarter Financial Highlights

NAGASE & CO., LTD.
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Consolidated Statements of Income

- Net sales: Higher, mainly due to strong sales in Japan and overseas, as well as the higher valuation of the yen
- Operating income: Higher, mainly due to lower amortization of retirement benefit accounting actuarial differences, in addition to improved operating profits

(100 millions of yen)

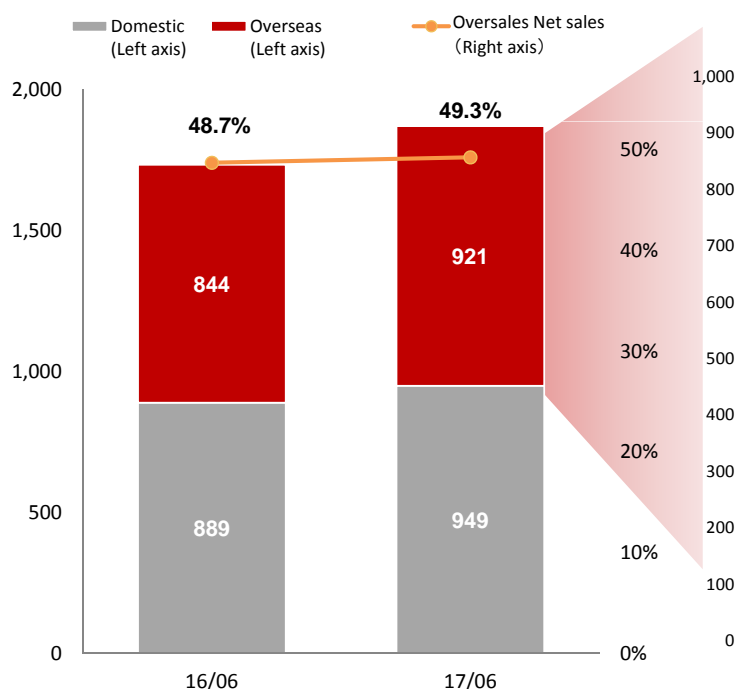
	16/06	17/06	Change	Vs. PY	Published Forecast
Net sales	1,733	1,871	+137	108%	7,320
Gross profit	225	240	+15	107%	950
<GP ratio>	13.0%	12.9%	-	-0.2%	13.0%
SG&A expenses	190	184	-5	97%	759
Operating income	35	56	+20	159%	191
Ordinary income	39	63	+24	163%	209
Profit attributable to owners of the parent	22	34	+12	156%	125
US\$ Exchange rate (period average)	@108.1	@111.0	@2.9 devaluation		@108
RMB Exchange rate (period average)	@16.5	@16.2	@0.3 revaluation		@15.6

(Foreign exchange rate impact on 17/06 net sales and operating income results)
 Net sales : + ¥1.6 billion (approx.)
 Operating income : + ¥60 million (approx.)

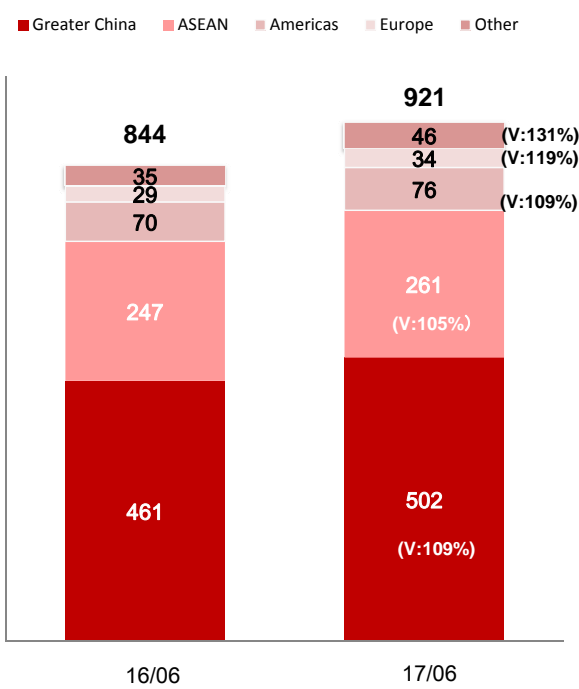
Net Sales by Region (Domestic, Overseas)

- Higher sales in Greater China and ASEAN; overseas ratio of total sales up 0.5%

Domestic & Overseas Sales (100 millions of yen, %)



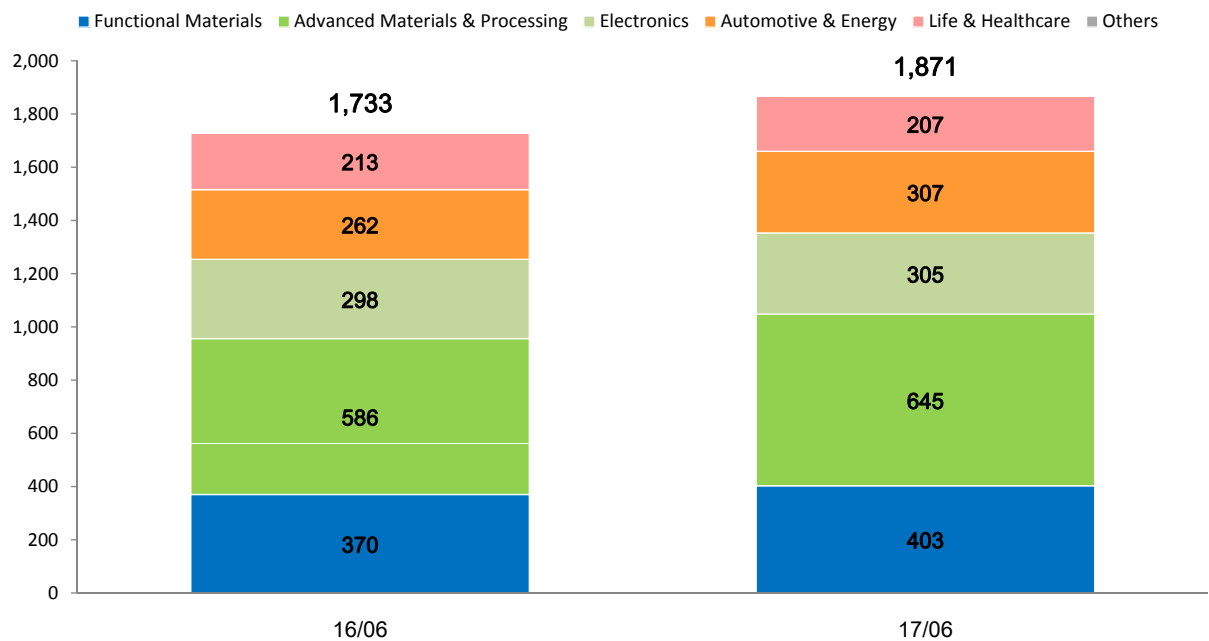
Overseas Sales by Region (100 millions of yen, %)



Net Sales: Two-Year Comparison (by Segment)

- **Advanced Materials & Processing:** Higher sales due to increase in sales of plastics in Japan and overseas
- **Automotive & Energy:** Higher sales, mainly due to strong resins business in Japan and increased sales of car electronics-related products
- **Life & Healthcare:** Despite growth in Hayashibara sales, lower performance of raw materials and intermediates and medical materials for the medical and pharmaceutical field led to slightly lower segment sales

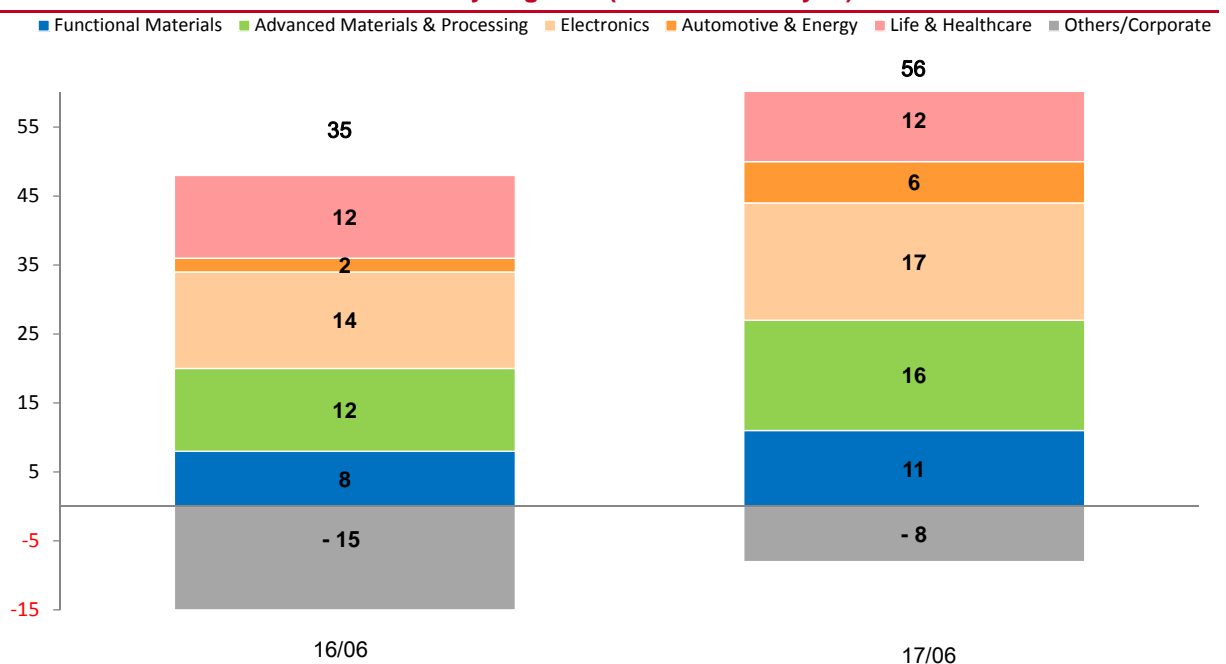
Net Sales by Segment (100 millions of yen)



Operating income: Two-Year Comparison (by Segment)

- **Higher profits overall.** Life & Healthcare segment sales were slightly lower; other segments reported performance growth. Advanced Materials & Processing segment and other manufacturing subsidiaries showed profitability improvements.
- **In addition to the preceding,** lower amortization of retirement benefit accounting actuarial differences for the Others/Corporate segment resulted in overall increase in operating income of ¥2.0 billion.

Net Sales by Segment (100 millions of yen)



Consolidated Balance Sheets



- Assets: Increase of ¥9.9 billion, mainly due to increases in accounts receivable, inventories, and investments in securities due to gains in fair market prices
- Net assets: Increase of ¥5.2 billion, mainly due to profit attributable to owners of the parent of ¥3.4 billion and increase in net unrealized holding gain on securities
- Shareholders' equity ratio unchanged at 54.7%

Assets				Liabilities and Net Assets (100 millions of yen)			
	17/03	17/06	Change		17/03	17/06	Change
Total current assets	3,212	3,266	+54	Total current liabilities	1,664	1,621	-43
Cash and time deposits	398	380	-17	Notes and accounts payable	1,020	1,032	+11
Notes and accounts receivable	2,068	2,104	+36	Short-term loans (Including commercial paper and current portion of long-term loans)	316	371	+54
Inventories	631	667	+36	Current portion of bonds	100	—	-100
Other	114	112	-1	Other	227	217	-9
Total non-current assets	2,095	2,140	+44	Total long-term liabilities	690	780	+89
Property, plant and equipment	676	674	-1	Long-term loans	200	267	+67
Intangible fixed assets	407	405	-1	Bonds	200	200	—
Investments, other assets	1,011	1,060	+48	Net defined benefit liability	146	147	+0
Investments in securities	945	996	+50	Other (Deferred tax liabilities, etc.)	143	165	+21
Other	66	64	-2	Total liabilities	2,355	2,402	+46
Total assets	5,307	5,406	+99	Total net assets	2,951	3,004	+52
				Shareholders' equity	2,396	2,407	+10
				Accumulated other comprehensive income	505	548	+42
				Net unrealized holding gain on securities	476	514	+37
				Translation adjustment	31	36	+4
				Other	-2	-2	+0
				Non-controlling interests	49	48	-1
				Total liabilities and net assets	5,307	5,406	+99



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These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of August 3, 2017. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.