

# **FYE March 2019 Third Quarter Financial Highlights**

**NAGASE & CO., LTD.**

February 5, 2019

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# Consolidated Statements of Income

- Net sales : Higher, mainly due to strong performance in base areas (Functional Materials, Advanced Materials & Processing)
- Operating income : Higher, mainly due to higher revenues and increased profitability at manufacturing subsidiaries

(100 millions of yen)

	17/12	18/12	Change	Vs. PY	Orig. Forecast (full year)
Net sales	5,935	6,164	+ 229	104%	8,280
Gross profit	779	808	+ 29	104%	1,073
<GP ratio>	13.1%	13.1%	0.0%	—	13.0%
SG&A expenses	575	599	+ 23	104%	818
Operating income	203	209	+ 6	103%	255
Ordinary income	221	222	+ 0	100%	275
Profit attributable to owners of the parent	146	161	+ 14	110%	186
US\$ Exchange rate (period average)	@ 111.7	@ 111.1	@ 0.5	strong yen	@105
RMB Exchange rate (period average)	@ 16.6	@ 16.6	@ 0.0	strong yen	@ 16.5

【 Foreign exchange rate impact on 18/9 net sales and operating income results 】

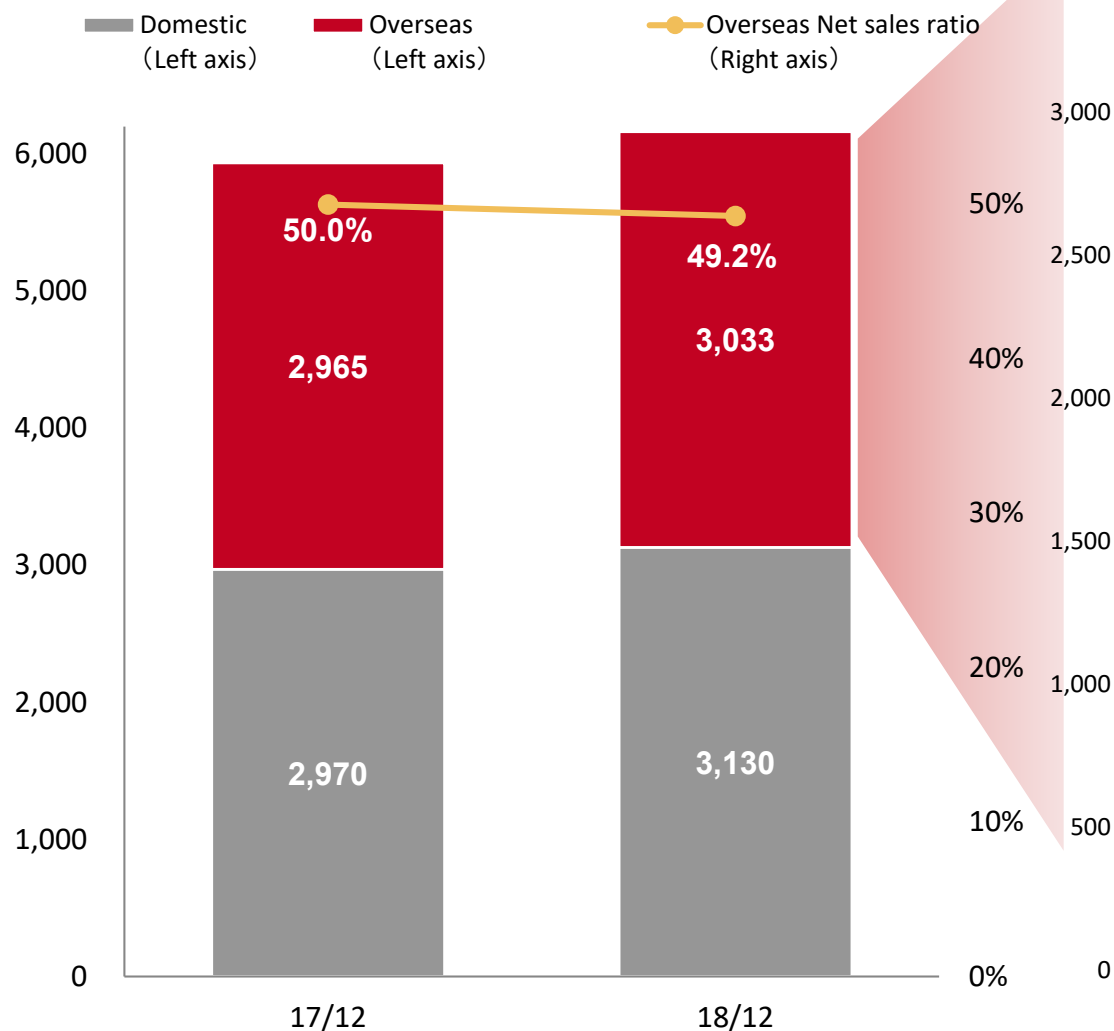
Net sales:  $\Delta$ ¥0.6 billion (approx.)

Operating income:  $\Delta$ ¥10 million (approx.)

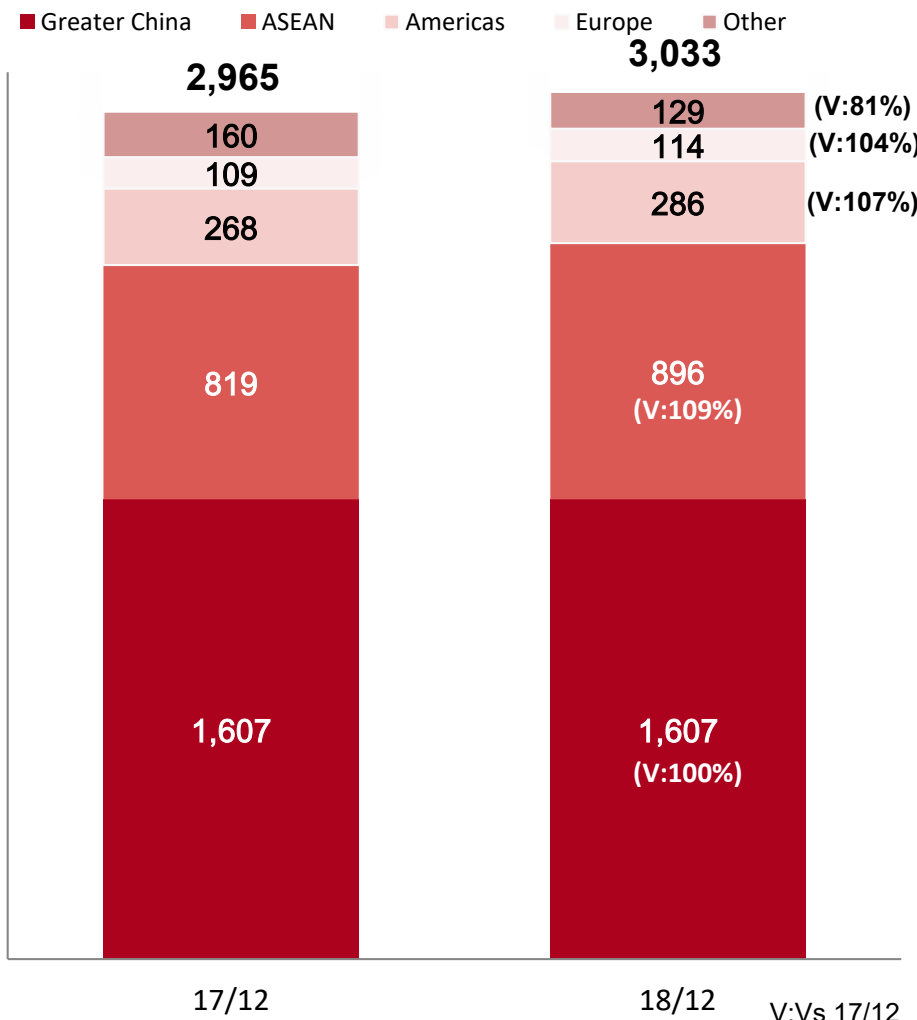
# Net Sales by Region (Domestic, Overseas)

■ In addition to domestic businesses, performance was strong overseas, particularly in ASEAN and the Americas (overseas ratio of total sales at 49.2%)

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



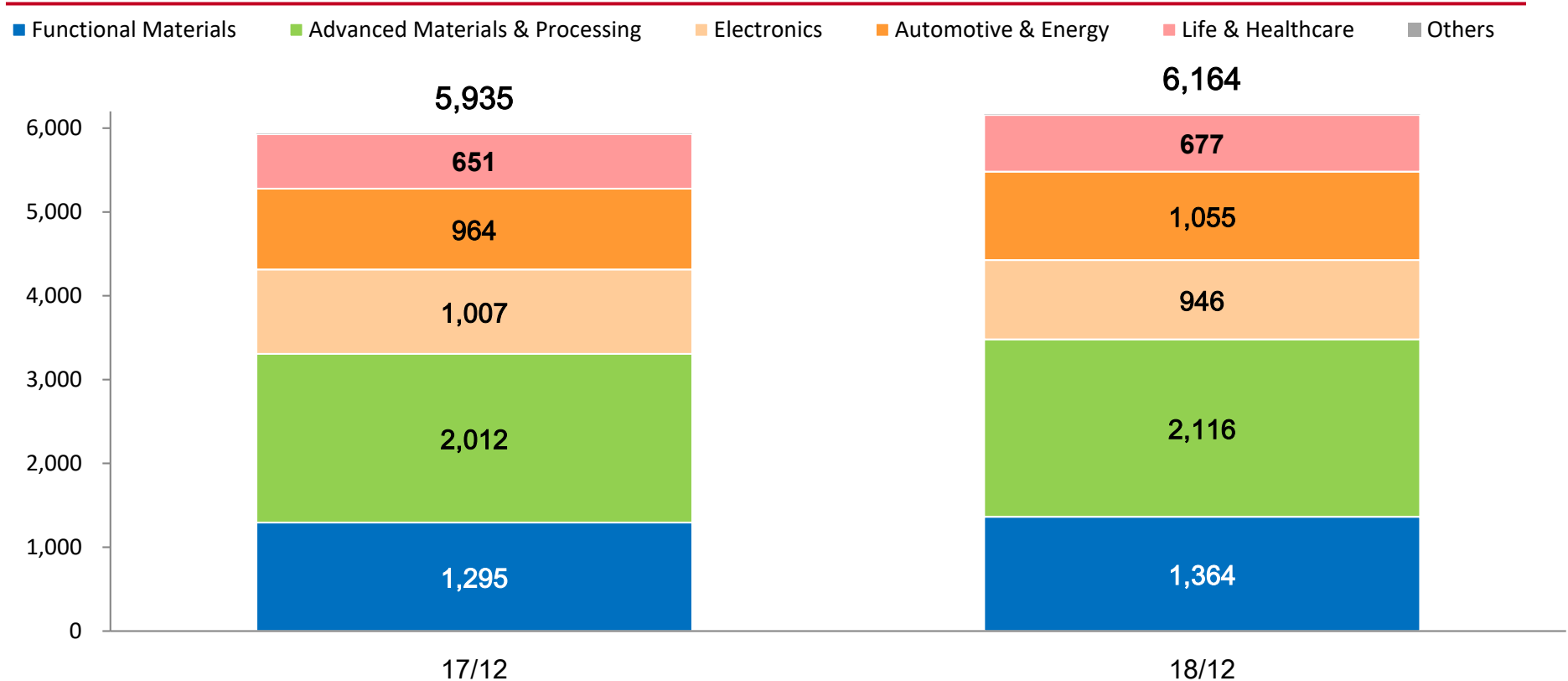
Overseas Sales by Region (100 millions of yen, %)



# Net Sales: Two-Year Comparison (by Segment)

- **Functional Materials** : Higher sales, driven by (1) increase in sales of coating raw materials and urethane materials, spurred by strong automotive production and naphtha price increases; (2) increased sales of electronics chemicals, etc.; and (3) acquisition of a US-based distributor in the second quarter of the prior consolidated fiscal year.
- **Advanced Materials & Processing** : Higher sales in Japan and overseas, mainly due to increased sales of plastics and digital print processing materials

**Net Sales by Segment (100 millions of yen)**



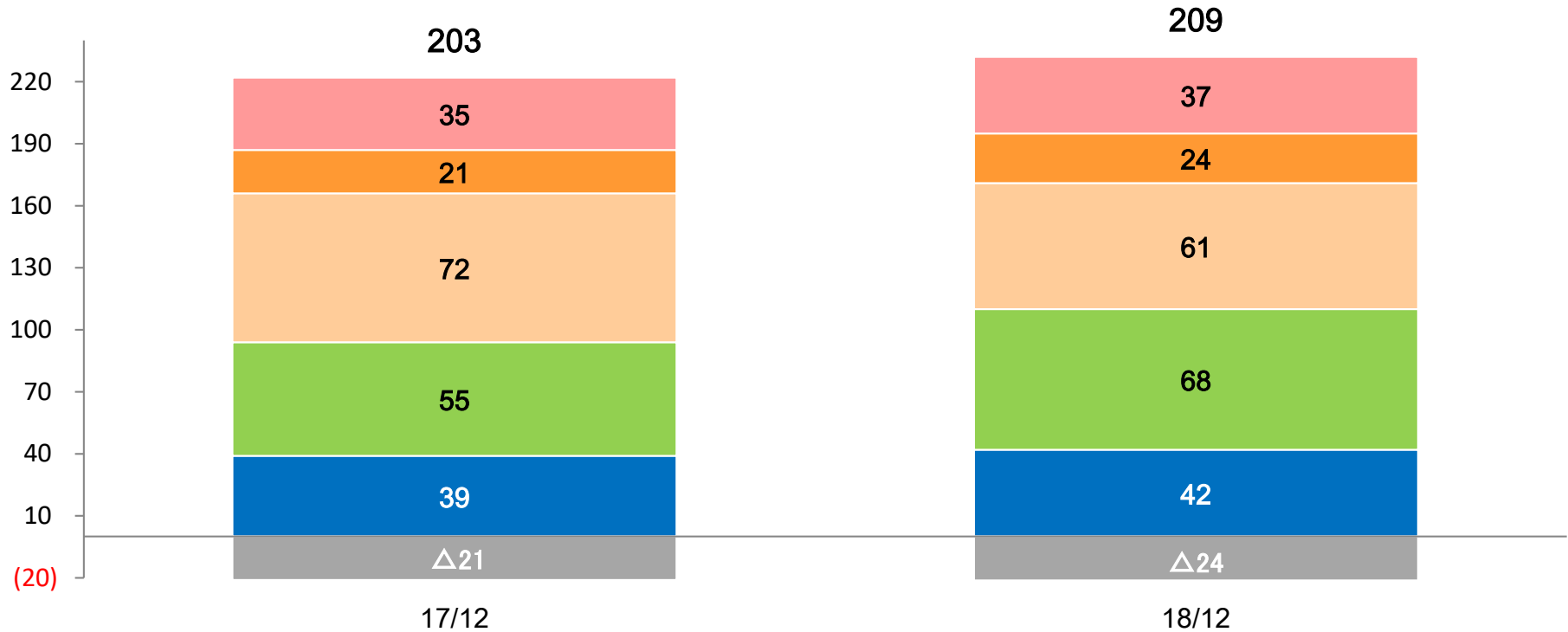
\* The Company reclassified reportable segments in the current fiscal year (certain businesses in the Functional Materials segment reclassified to the Life & Healthcare segment). Results for fiscal 2017 3Q have been reclassified for comparison.

# Operating income: Two-Year Comparison (by Segment)

■ **Advanced Materials & Processing: Higher profits, mainly due to improved profitability among manufacturing subsidiaries in Japan and overseas**

## Operating income by Segment (100 millions of yen)

■ Functional Materials ■ Advanced Materials & Processing ■ Electronics ■ Automotive & Energy ■ Life & Healthcare ■ Others/Corporate



\* The Company reclassified reportable segments in the current fiscal year (certain businesses in the Functional Materials segment reclassified to the Life & Healthcare segment). Results for fiscal 2017 3Q have been reclassified for comparison.

# Consolidated Balance Sheets

■ Shareholders' Equity Ratio down 1.2 points to 52.1%

## Assets

	18/03	18/12	Change
<b>Total current assets</b>	<b>3,533</b>	<b>3,770</b>	<b>+ 237</b>
Cash and time deposits	433	430	2
Notes and accounts receivable	2,259	2,406	+ 146
Inventories	736	825	+ 88
Other	103	109	+ 5
<b>Total non-current assets</b>	<b>2,161</b>	<b>2,039</b>	<b>122</b>
Property, plant and equipment	672	689	+ 17
Intangible fixed assets	410	382	28
Investments, other assets	1,078	967	110
Investments in securities	1,004	896	107
Other	74	71	3
<b>Total assets</b>	<b>5,694</b>	<b>5,810</b>	<b>+ 115</b>

## Liabilities and Net Assets

(100 millions of yen)

	18/03	18/12	Change
<b>Total current liabilities</b>	<b>1,929</b>	<b>2,189</b>	<b>+ 259</b>
Notes and accounts payable	1,180	1,237	+ 57
Short-term loans and current portion of CP	480	704	+ 224
Other	269	247	22
<b>Total long-term liabilities</b>	<b>676</b>	<b>543</b>	<b>132</b>
Long-term loans and Bonds	379	284	94
Net defined benefit liability	145	134	10
Other (Deferred tax liabilities, etc.)	152	124	27
<b>Total liabilities</b>	<b>2,606</b>	<b>2,733</b>	<b>+ 126</b>
<b>Total net assets</b>	<b>3,088</b>	<b>3,076</b>	<b>11</b>
Shareholders' equity	2,502	2,587	+ 85
Accumulated other comprehensive income	533	440	92
Net unrealized holding gain on securities	507	413	94
Translation adjustment	29	28	0
Other	3	1	+ 1
Non-controlling interests	51	48	3
<b>Total liabilities and net assets</b>	<b>5,694</b>	<b>5,810</b>	<b>+ 115</b>



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**These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of February 5 , 2019. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.**