

February 9, 2022

To Whom It May Concern:

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Notice Concerning Revision of Consolidated Earnings Forecasts and Dividend Forecast
for the Fiscal Year Ending March 31, 2022

NAGASE & CO., LTD. (hereinafter referred to as “NAGASE”) hereby announce that its Board of Directors has resolved at a meeting held on February 9, 2022 to revise the consolidated earnings forecasts and dividend forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022), which were announced on August 4, 2021, considering recent business trends.

1. Contents of the revision of Consolidated Earnings Forecasts

 (1) Revision of consolidated financial forecast for the fiscal year ending March 31, 2022
 (April 1, 2021 to March 31, 2022)

	Gross profit	Operating income	Ordinary income	Profit attributable to owners of the parent	Earnings per share
Previous forecasts (A)	(millions of yen) 130,000	(millions of yen) 30,000	(millions of yen) 31,000	(millions of yen) 22,500	(yen) 185.05
Revised forecasts (B)	138,000	35,000	36,500	25,000	205.73
Difference (B–A)	8,000	5,000	5,500	2,500	
Increase/decrease (%)	6.2%	16.7%	17.7%	11.1%	
Results for the fiscal year ended March 31, 2021 (for reference)	114,600	21,916	22,854	18,829	151.91

(2) Reason for the revision

During the cumulative consolidated third quarter of the current fiscal year, the global economy saw a growing number of regions including Japan in which economic activities recovered, despite some regional variance, due to the progress in COVID-19 vaccinations. In this environment, the automobile-related business recovered more than previously forecasted, and the profitability of the resin business

improved due to soaring market prices. In addition, the electronics-related business, centering on mobile devices, displays, and semiconductors, remained strong against the backdrop of increased demand for digital devices due to changes in lifestyles, and has remained at a level higher than previously announced forecast.

In the fourth quarter of the current fiscal year, NAGASE expects a decline in profitability in the resin business and an increase in general and administrative expenses due to strong business performance, but NAGASE has decided to revise our full-year consolidated earnings forecasts upward. Because NAGASE expects the overall business to remain strong and generate a certain level of profit.

As a result, NAGASE expects each of our profit to reach a record high.

For these forecasts, NAGASE changed our assumed foreign exchange rates from ¥109.5 to ¥111.9 to the U.S. dollar and from ¥16.9 to ¥17.4 to the RMB.

The full-year consolidated earnings forecasts for each segment are as follows.

		Previous forecasts (A)	Revised forecasts (B)	Difference (B-A)	Increase/ decrease (%)	Results for the fiscal year ended March 31, 2021 (for reference)
Functional Materials	Gross profit	(millions of yen) 17,700	(millions of yen) 19,500	(millions of yen) 1,800	10.2%	(millions of yen) 15,562
	Operating income	6,600	7,800	1,200	18.2%	4,712
Advanced Materials & Processing	Gross profit	29,500	31,900	2,400	8.1%	26,816
	Operating income	9,600	10,800	1,200	12.5%	7,311
Electronics & Energy	Gross profit	27,400	29,800	2,400	8.8%	25,581
	Operating income	8,800	10,000	1,200	13.6%	8,408
Mobility	Gross profit	11,200	12,400	1,200	10.7%	8,983
	Operating income	3,400	4,100	700	20.6%	1,851
Life & Healthcare	Gross profit	43,700	43,900	200	0.5%	37,471
	Operating income	9,300	9,300	—	—	6,512
Others/ Corporate	Gross profit	500	500	—	—	184
	Operating income	(7,700)	(7,000)	700	—	(6,879)

*Effective from the current fiscal year, NAGASE has changed the method of classifying its business segments, and the figures for the previous fiscal year have been reclassified to reflect this change.

2. Contents of the revision of Dividend Forecast

(1) Revision of Dividend Forecast (April 1, 2021 to March 31, 2022)

	Cash dividend per share(yen)		
	Interim	Year-end	Total
Previous forecasts		24	48
Revised forecasts		30 (Ordinary dividends 24) (Special dividends 6)	54 (Ordinary dividends 48) (Special dividends 6)
Results for FY2021	24		
Results for FY2020	22	24	46

(2) Reason for the revision

NAGASE will pay dividends based on consolidated cash flow and investment status, with a basic policy of continuously increasing dividends in consideration of consolidated performance and financial structure, while improving profitability and strengthening the corporate structure.

Based on the above basic policy, NAGASE had planned to increase the annual dividend by 2 yen per share for the current fiscal year. However, as mentioned above, each profit is expected to reach a new record high, and after considering our financial condition and other factors, NAGASE has decided to revise the year-end dividend forecast for the fiscal year ending March 31, 2022 to 30 yen per share, adding a special dividend of 6 yen per share to the previously planned ordinary dividend of 24 yen per share.

As a result, the annual dividend for the fiscal year ending March 31, 2022, including the interim dividend, is expected to be 54 yen per share.

*The above forecasts are based on information currently available to NAGASE and certain assumptions that NAGASE considers reasonable.