



FYE March 2016 Second Quarter Financial Briefing

NAGASE & CO., LTD.
November 30, 2015



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FYE March 2016 Second Quarter Results

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Consolidated Statements of Income

- **Net sales:** Higher revenues, driven mainly by overseas subsidiaries
- **Operating income:** Higher profits due to higher revenues and recording of allowance for doubtful accounts during the prior fiscal year at a Taiwanese subsidiary
- **Profit attributable to owners of the parent:** Lower profit due to higher tax expenses

(100 millions of yen)

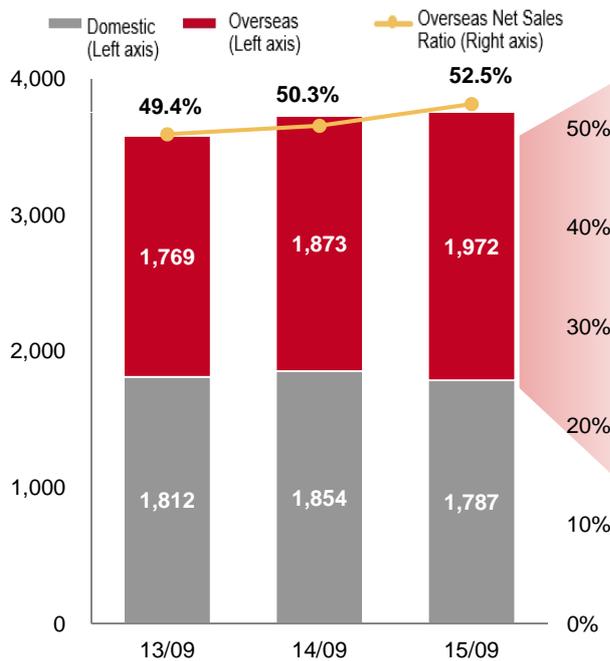
	14/09	15/09	Change	Vs. PY	Published Forecast	Progress Rate
Net sales	3,727	3,760	+32	101%	8,230	46%
Gross profit	444	464	+19	104%	973	48%
<GP ratio>	11.9%	12.3%	+0.4%	—	11.8%	—
SG&A expenses	364	363	-1	100%	778	47%
Operating income	79	100	+20	126%	195	51%
Ordinary income	91	101	+10	112%	206	49%
Profit attributable to owners of the parent	66	65	-1	98%	121	54%
US\$ Exchange rate (period average)	¥103.0	¥121.8	@¥18.8 devaluation		@¥120	—

(Per-yen exchange rate impact on net sales and operating profit)

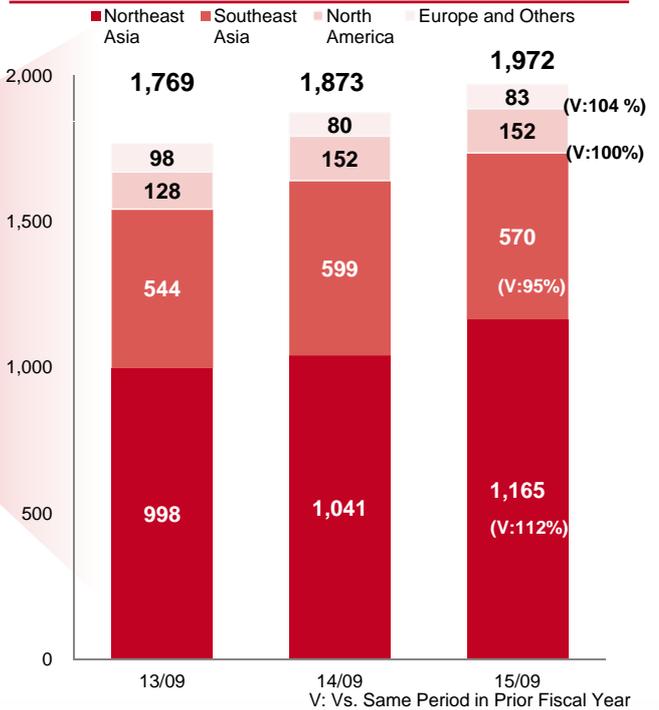
	Impact of dollar/yen rate	Impact on 15/09 Actual
Net sales	¥1.4 billion (approx.)	+¥27.0 billion (approx.)
Operating income	¥50 million (approx.)	+¥1.0 billion (approx.)

■ Continuing trend from PY of growth in ratio of overseas sales to total net sales

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

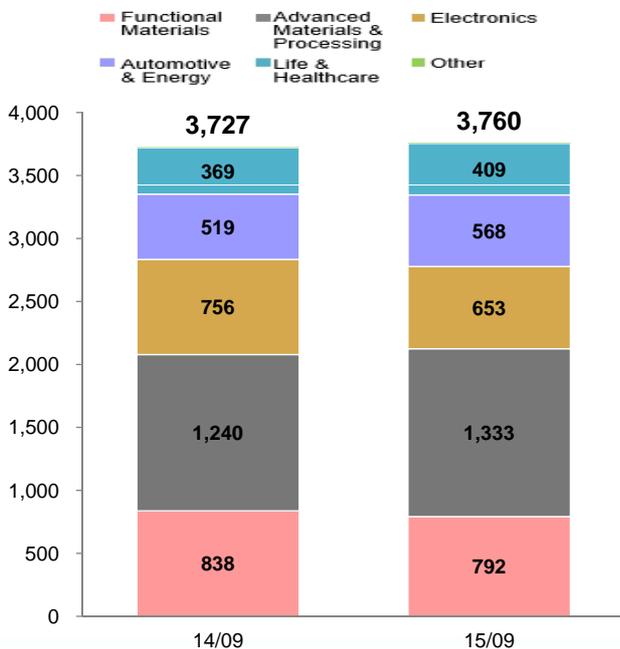


Overseas Sales by Region
(100 millions of yen)

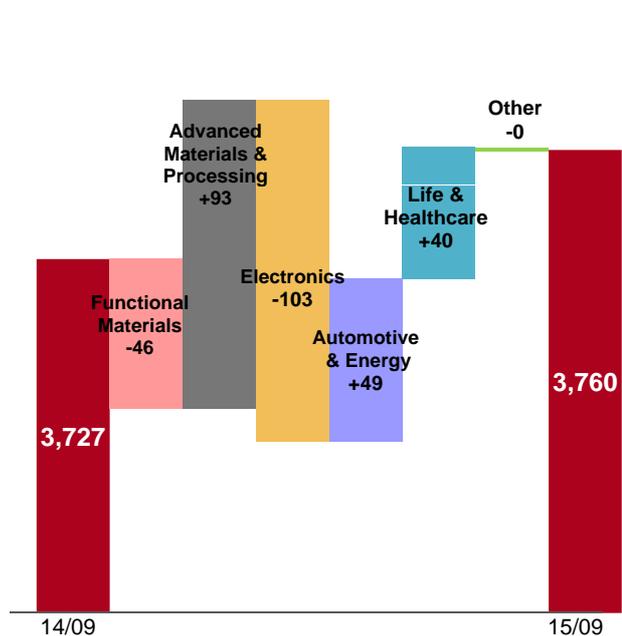


- **Advanced Materials & Processing:** Strong sales of plastic resins to the office equipment and game device industries
- **Life & Healthcare:** Strong sales of TREHA™ and other products in Japan and overseas
- **Electronics:** Lower sales of liquid crystal-related components

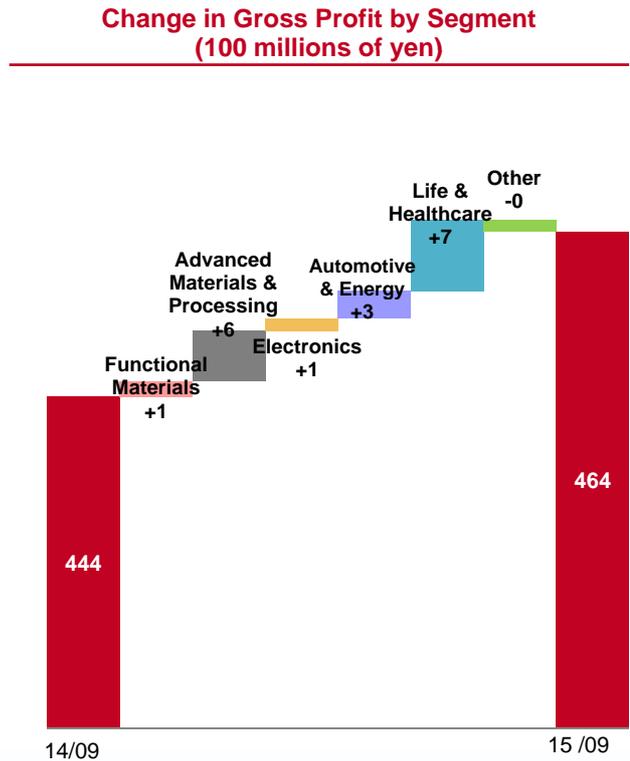
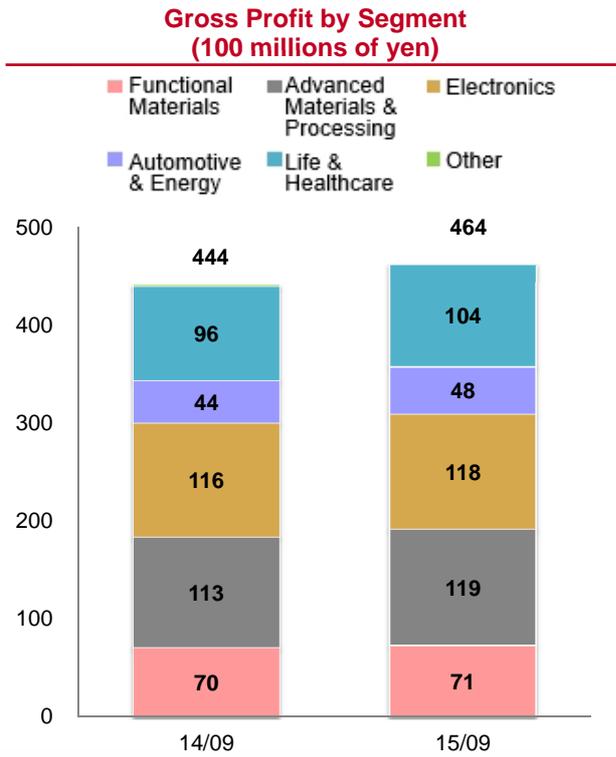
Net Sales by Segment
(100 millions of yen)



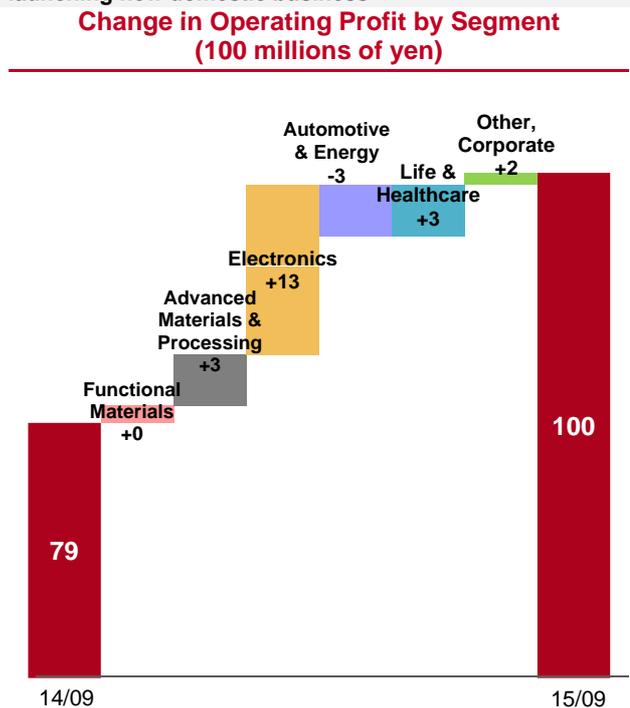
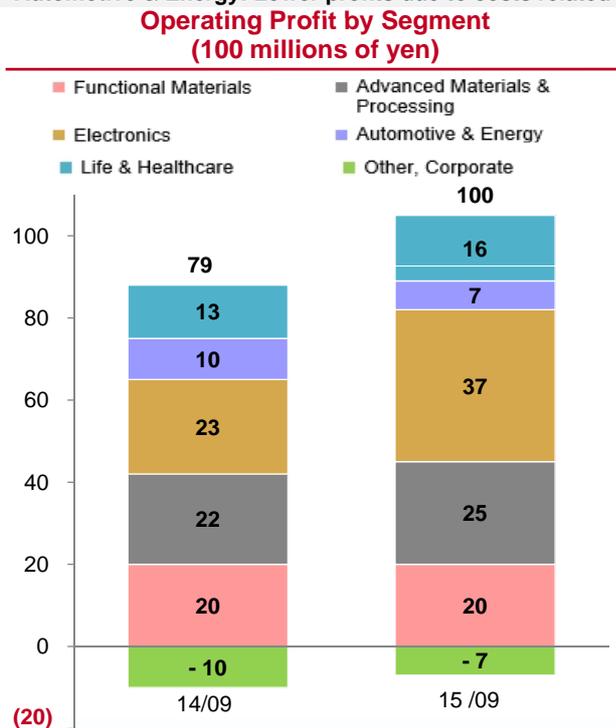
Change in Net Sales by Segment
(100 millions of yen)



■ Higher profits, mainly due to revenue gains at overseas subsidiaries



- Electronics: Higher profits due to recording of allowance for doubtful accounts during the prior fiscal year at a Taiwanese subsidiary
- Advanced Materials & Processing: Higher overseas revenues lead to higher profits
- Automotive & Energy: Lower profits due to costs related to launching new domestic business



- Hayashibara reported higher net sales, driven by strong sales of TREHA™ to the domestic and international food industries and AA2G™ to the skin care industry. However, profits were level with the prior year owing to an increase in depreciation related to the startup of operations at new production plants.

(100 millions of yen)

	Company Name	Net Sales	Vs. PY	Operating Profit	Vs. PY
Parent Company	NAGASE & CO., LTD.	2,120	94%	17	90%
Manufacturing Companies	Hayashibara Co., Ltd.	121	104%	25	99%
	Nagase ChemteX Corp.	117	91%	7	70%
	Total for manufacturing (Note)	481	103%	39	108%
Domestic Sales Companies	Nagase Plastics Co., Ltd.	162	97%	2	113%
	Nishinohon Nagase Co., Ltd.	40	129%	2	315%
	Nagase Chemical Co., Ltd.	79	103%	1	144%
	Total for domestic sales (Note)	406	99%	8	178%
Overseas Sales Companies	Shanghai Hua Chang Trading Co., Ltd.	187	116%	5	121%
	Nagase (Taiwan) Co., Ltd.	73	80%	5	—
	Guangzhou Nagase Trading Ltd.	155	114%	4	95%
	Total for overseas sales (Note)	1,858	109%	42	154%

*Note: Totals for each category are simply the sums of each company. These sums do not equal consolidated figures.

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- Shareholders' equity ratio up 0.3 points to 51.8% (vs. 51.5% at end of prior year)

	Assets			Liabilities and Net Assets (100 millions of yen)			
	15/03	15/09	Change	15/03	15/09	Change	
Total current assets	3,298	3,290	-7	Total current liabilities	1,764	1,615	-148
Cash and time deposits	405	434	+28	Notes and accounts payable	1,057	1,014	-43
Notes and accounts receivable	2,082	2,075	-6	Short-term loans (including current portion of long-term loans)	377	380	+3
Inventories	690	655	-34	Current portion of bonds	100	—	-100
Other current assets	120	124	+4	Other current liabilities	229	220	-8
Total non-current assets	2,166	2,030	-136	Total long-term liabilities	826	891	+65
Property, plant and equipment	667	670	+2	Long-term loans	303	307	+4
Intangible fixed assets	488	470	-17	Bonds	200	300	+100
Investments, other assets	1,010	889	-121	Net defined benefit liability	108	108	+0
Investments in securities	926	808	-118	Other (Deferred tax liabilities, etc.)	214	175	-39
Other fixed assets	84	81	-2	Total liabilities	2,590	2,507	-82
				Total net assets	2,875	2,814	-60
				Shareholders' equity	2,263	2,309	+45
				Accumulated other comprehensive income	550	447	-103
				Net unrealized holding gain on securities	449	369	-79
				Translation adjustment	94	74	-20
				Others	6	3	-3
				Non-controlling interests	61	57	-3
Total assets	5,465	5,321	-143	Total liabilities and net assets	5,465	5,321	-143

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- Increase in cash and cash equivalents of ¥2.8 billion. Investment outlays for property, plant and equipment and financial outlays for dividend payments were more than offset by a gain of ¥9.4 billion in cash provided by operating activities.

Cash Flows

(100 millions of yen)

	15/09	Main breakdown	14/09
Net cash provided by (used in) operating activities	+94	Income before income taxes +98 Depreciation and amortization/amortization of goodwill +55 Working capital -11 Corporate tax, etc. -22	+9
Net cash provided by (used in) investing activities	-53	Purchases of property, plant and equipment -40 Purchases of intangible fixed assets -6 Purchases of investments securities -3 Purchases of investments -3	-27
Net cash provided by (used in) financing activities	-8	Payments for redemption of bonds -100 Proceeds from issuance of bonds +99 Payments of dividends -19 Proceeds from long-term loans +14	-3
Exchange gains related to cash and cash equivalents	-3		+8
Net increase (decrease) in cash and cash equivalents	+28		-12
Cash and cash equivalents at beginning of the year	405		338
Impact of other changes (Changes accompanying new consolidation or change in fiscal year)	—		+0
Cash and cash equivalents at end of the year	433	Japan 292 Greater China 85 ASEAN 32 Europe 17 North America 6	325

FYE March 2016 Earnings Projections

- The slowing of the Chinese economy and other factors have clouded the future direction of the Asian economy. We forecast higher revenues and profits for the year due to an allowance for doubtful accounts recorded during the prior year at a Taiwanese subsidiary, strong performance in our plastics business overseas, and other factors.

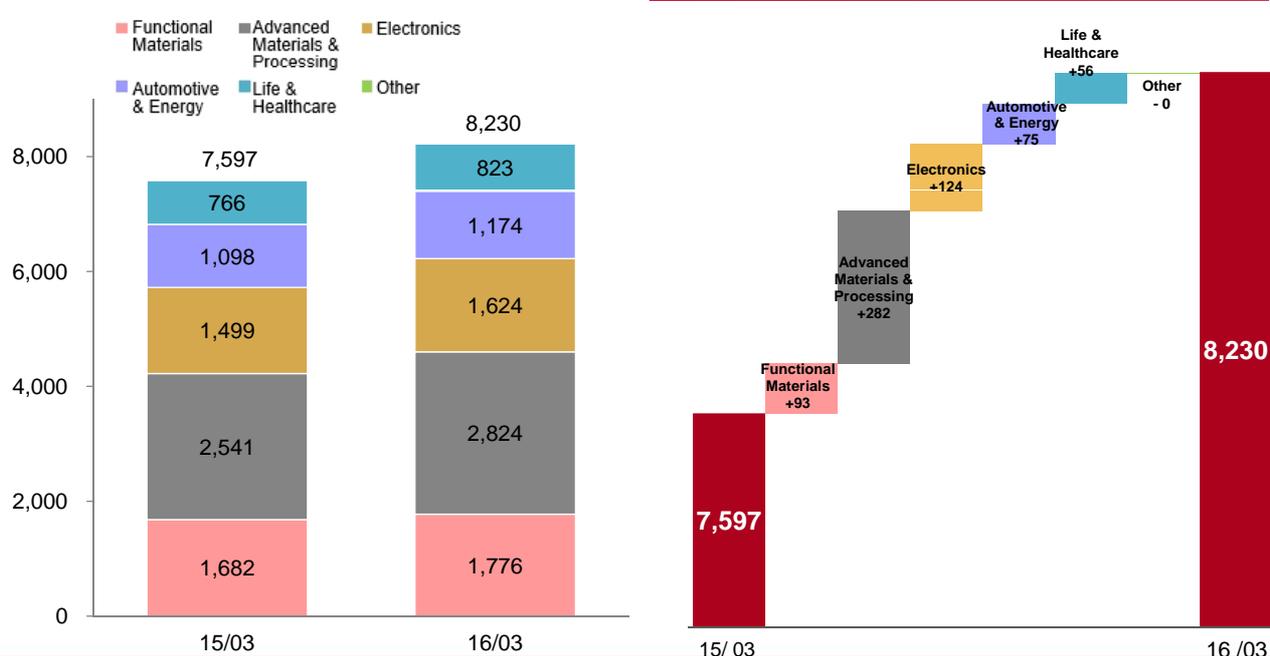
(100 millions of yen)

	15/03 Actual	16/03 Forecast	Vs. PY
Net sales	7,597	8,230	108%
Gross profit	919	973	106%
<GP ratio>	12.1%	11.8%	—
SG&A expenses	738	778	105%
Operating income	181	195	107%
Ordinary income	203	206	101%
Profit attributable to owners of the parent	113	121	107%
US\$ Exchange rate (period average)	@¥109.9	@¥120	—

- **Advanced Materials & Processing:** Sales of plastic resins to the office equipment and game device industries expected to be strong
- **Electronics:** Epoxy business expected continuing to perform well

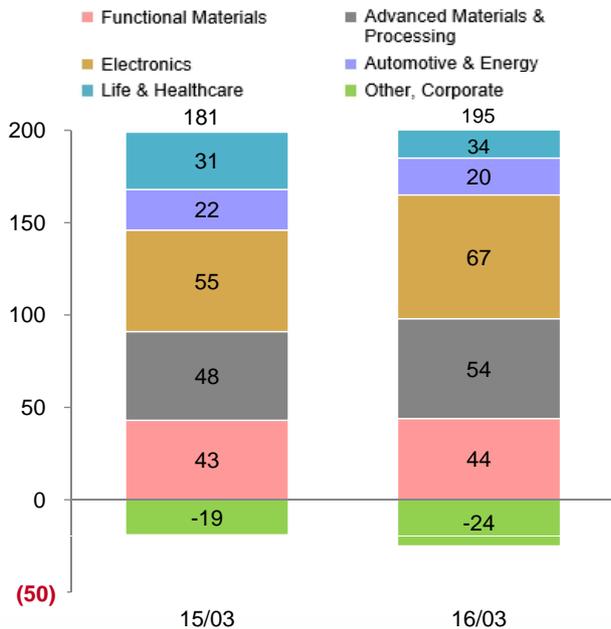
Net Sales by Segment
(100 millions of yen)

Change in Net Sales by Segment
(100 millions of yen)

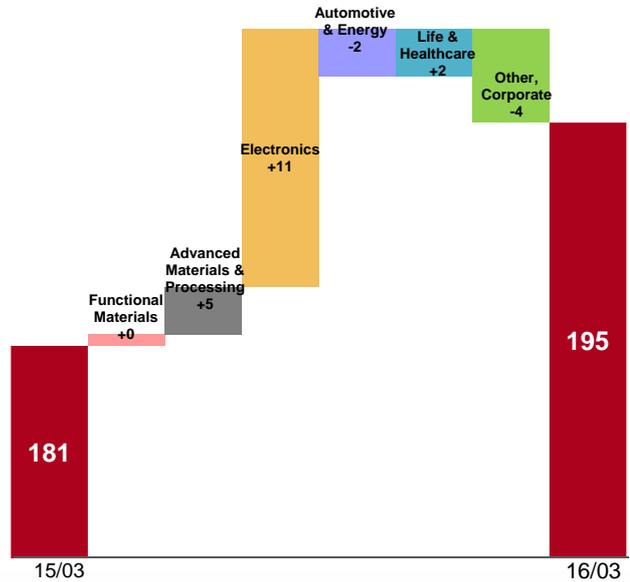


■ Despite increased depreciation and amortization associated with investments, we forecast higher profits due to higher gross profit stemming from higher net sales and the recording of an allowance for doubtful accounts at a Taiwanese subsidiary during the prior year.

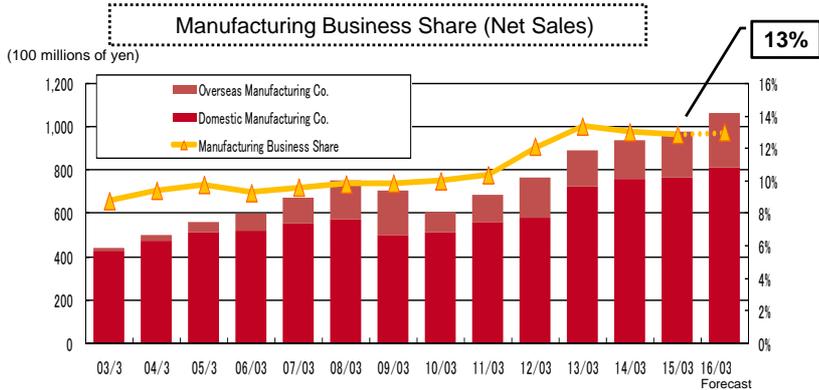
Operating Profit by Segment
(100 millions of yen)



Change in Operating Profit by Segment
(100 millions of yen)



■ Investments and financing to strengthen manufacturing function, R&D function, technical/information-related capacity, and global networks will create proprietary/competitive advantages; improve business quality and corporate value.

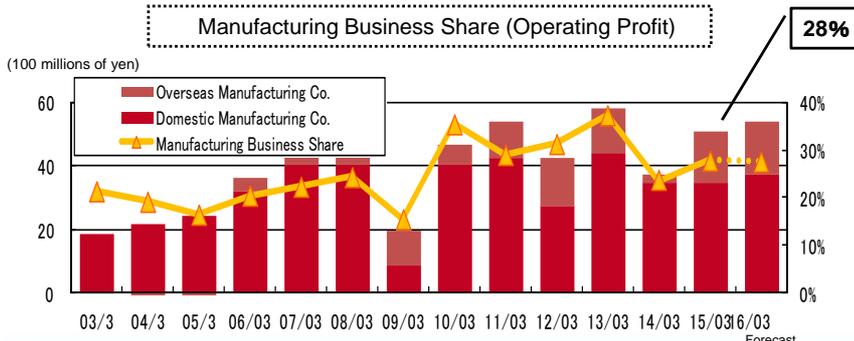


Investment (16/03)

Forecast
13.9 billion

16/03 Second Half Forecast
8.3 billion

16/03 First Half Actual
5.6 billion



- In August, we began full – scale operations at plants newly constructed in the Fujisaki district of Okayama (New Okayama Plant I) next to our research laboratories and in the Imabo district of Okayama (Okayama Functional Saccharide Plant, S Building). These new plants took over production s from the former Okayama Plant I, which is now 70 years old. New plants feature the latest in energy-saving, environmentally friendly technologies

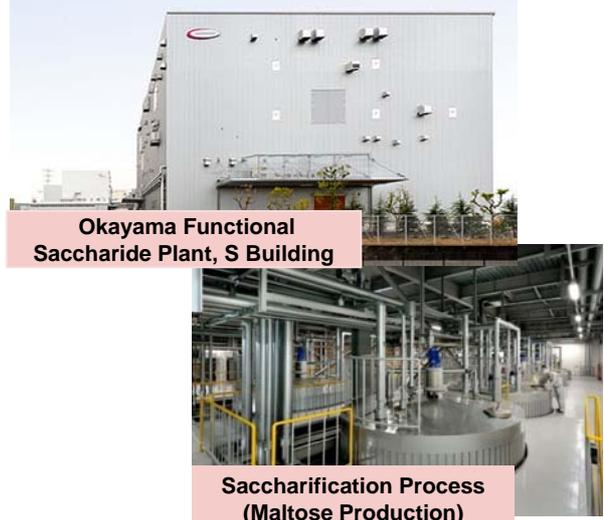
<New Plant Concept>

- New Okayama Plant I: New Products and Production Technology Development
- Okayama Functional Saccharide Plant, S Building: Core Products Manufacturing Plan



New Okayama Plant I

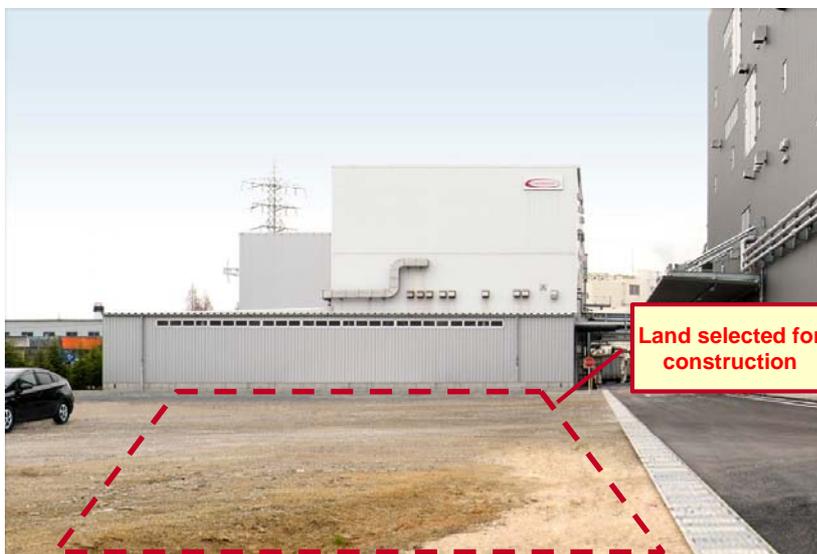
Filtering Process
(Starch Syrup Production)



Okayama Functional Saccharide Plant, S Building

Saccharification Process
(Maltose Production)

- Extension of Okayama Functional Saccharide Plant, T Building (Trehalose Production Plant)
- Investment: 2.6 billion yen
- Expected to increase production capacity by 30% from current 35,000 tons(p.a.)
- Completion : September 2016



Okayama Functional Saccharide Plant, T Building

Land selected for construction



Hardness of rice cakes are compared at the equivalent pressure by using a rheometer.



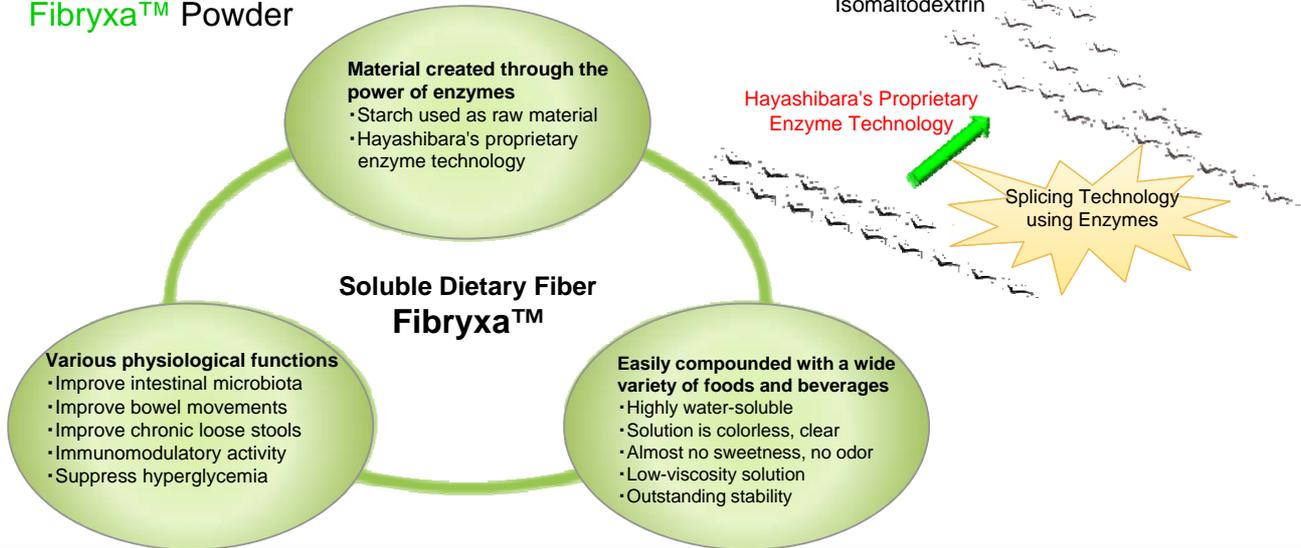
TREHA™, 500g

- First new Hayashibara product since the company joined the NAGASE Group
- Expected to become a major product on the order of TREHA™ On sale November 25



Fibryxa™ Powder

Soluble dietary fiber produced from starch using Hayashibara's unique proprietary enzymes.
Made with isomaltodextrin as the main component
 Improved intestinal microbiota expected to produce a variety of physiological functional benefits.
 Can be compounded into a wide range of foods and beverages.



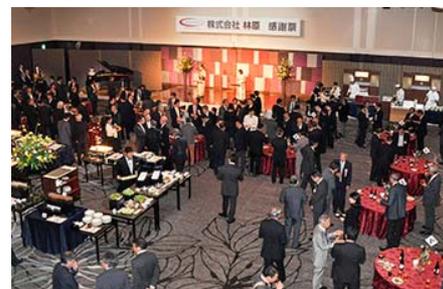
- Trehalose Day (certified by the Japanese Anniversary Association) festivities held on October 8
- Nearly 150 individuals supporting Hayashibara in various capacities (local government representatives, financial institution and vendor representatives, construction representatives, etc.) attended the Hayashibara Day of Appreciation
- Four-page advertisement placed in the morning edition of the Sanyo Shimibun newspaper



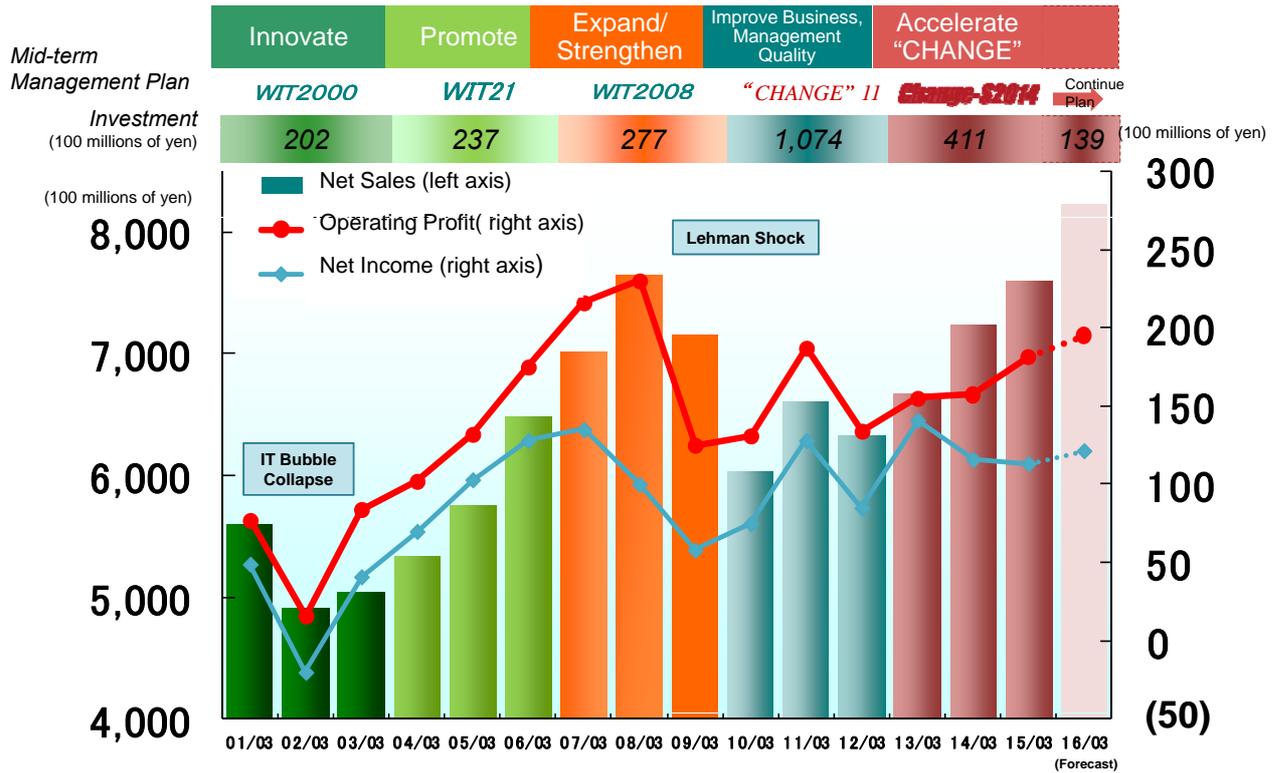
Advertisement placed in the October 8 Sanyo Shimibun



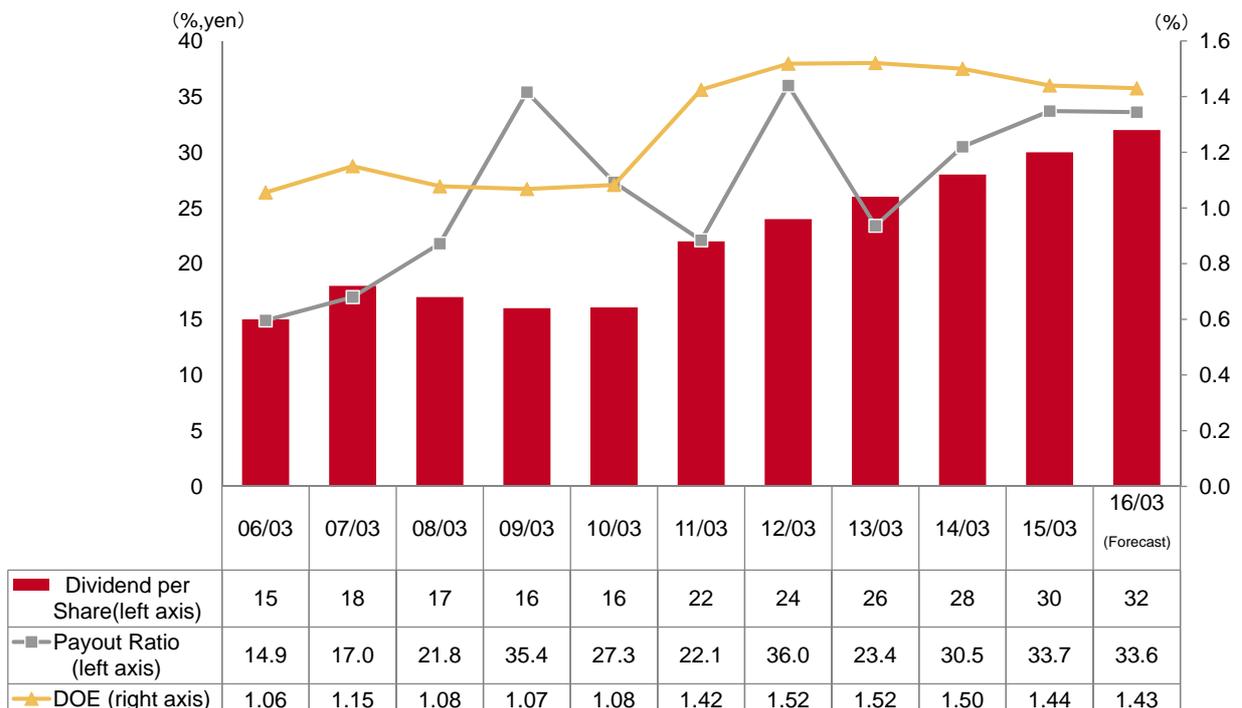
Day of Appreciation, October 8, 2015
 Session One: Welcome and Introduction



Day of Appreciation, October 8, 2015
 Session Two: Reception



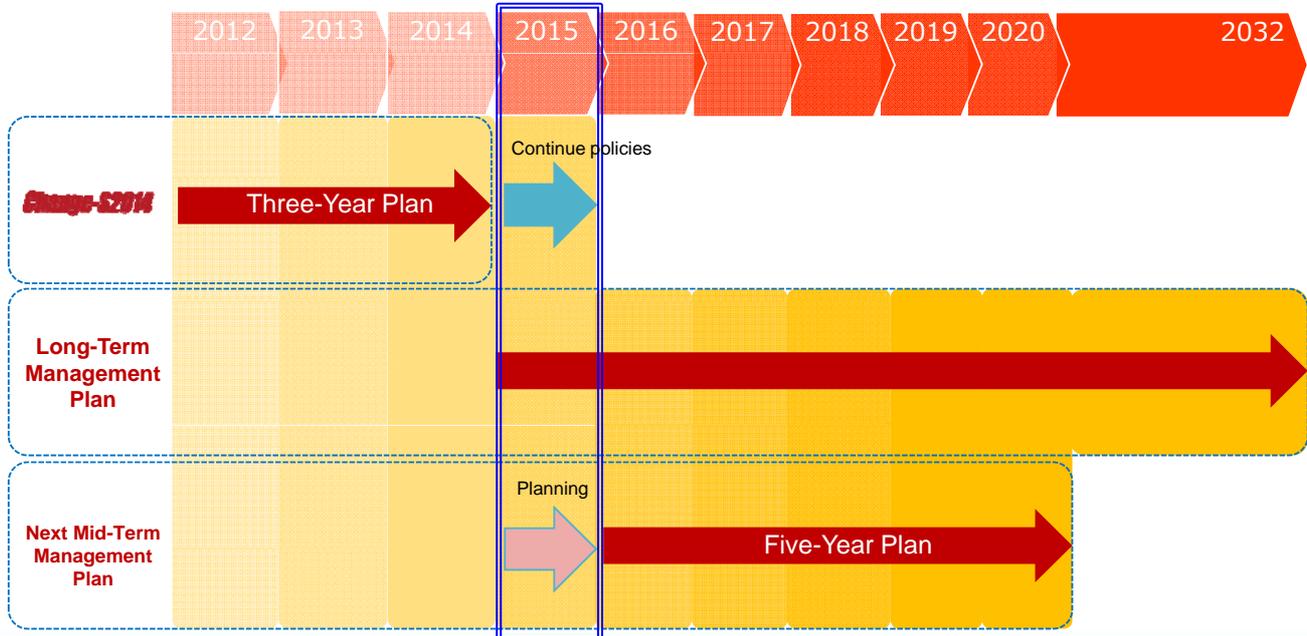
Total 32-yen dividend scheduled (16 yen interim, 16 yen year-end)



■ Follow single-year plan for FY2015; implement new mid-term management plan beginning FY2016

Create long-term management plan through 2032, Nagase's 200th anniversary

Our next mid-term management plan will cover five fiscal years



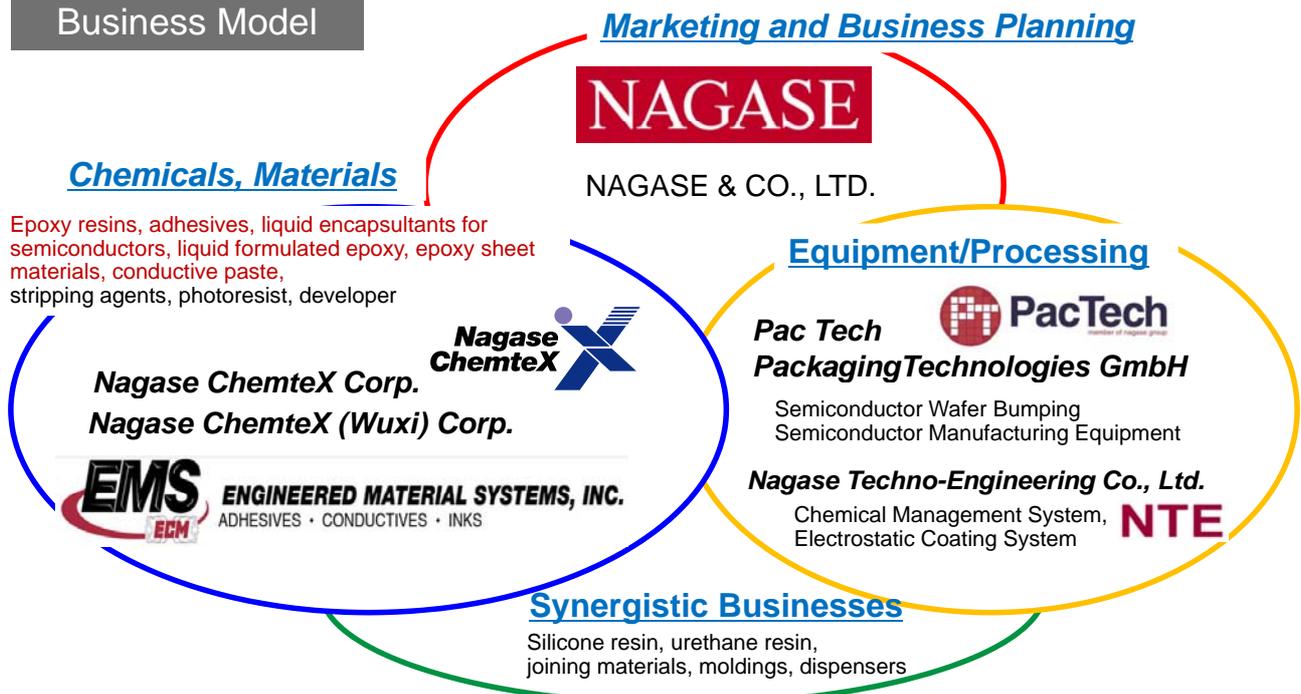
Global Expansion of the Nagase Epoxy Business

Electronic Chemicals Department

**Takahiro Okumura
General Manager**

- Electronic Chemicals Department Overview
- Electronic Chemicals Department Target Sectors
- History of the Nagase Epoxy Business
- Nagase Epoxy Business Organization
- Electronic Chemicals Department Overseas Production Bases
- Electronic Chemicals Department Overseas Production Bases: Future Plans
- Nagase Epoxy Business Sectors and Product Lines
- Sectors and Main Usage
- Business Growth Strategy

Business Model



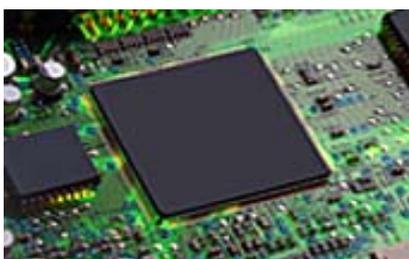
Department Strengths: Trading company information network plus manufacturing subsidiaries allow for more in-depth technology sales and development activities



- ✓Infrastructure
- ✓Environment and Energy



- ✓Displays



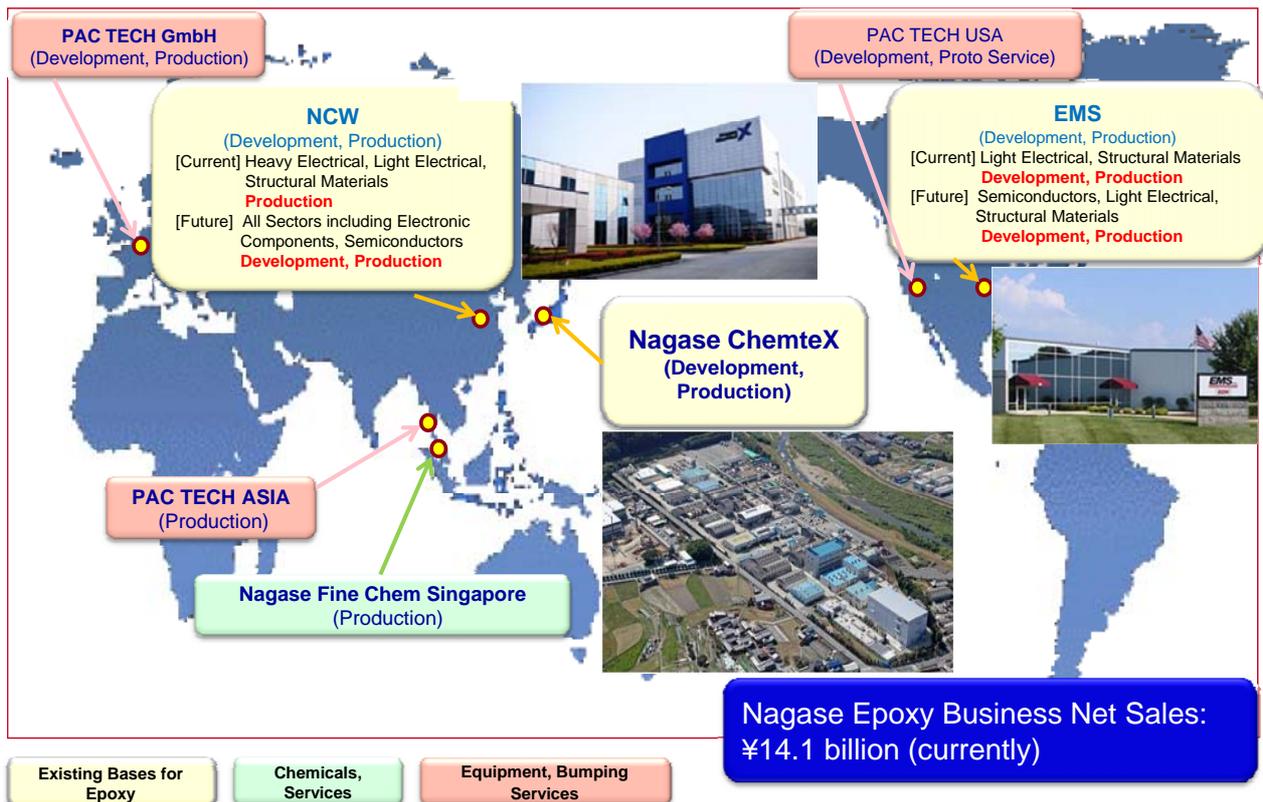
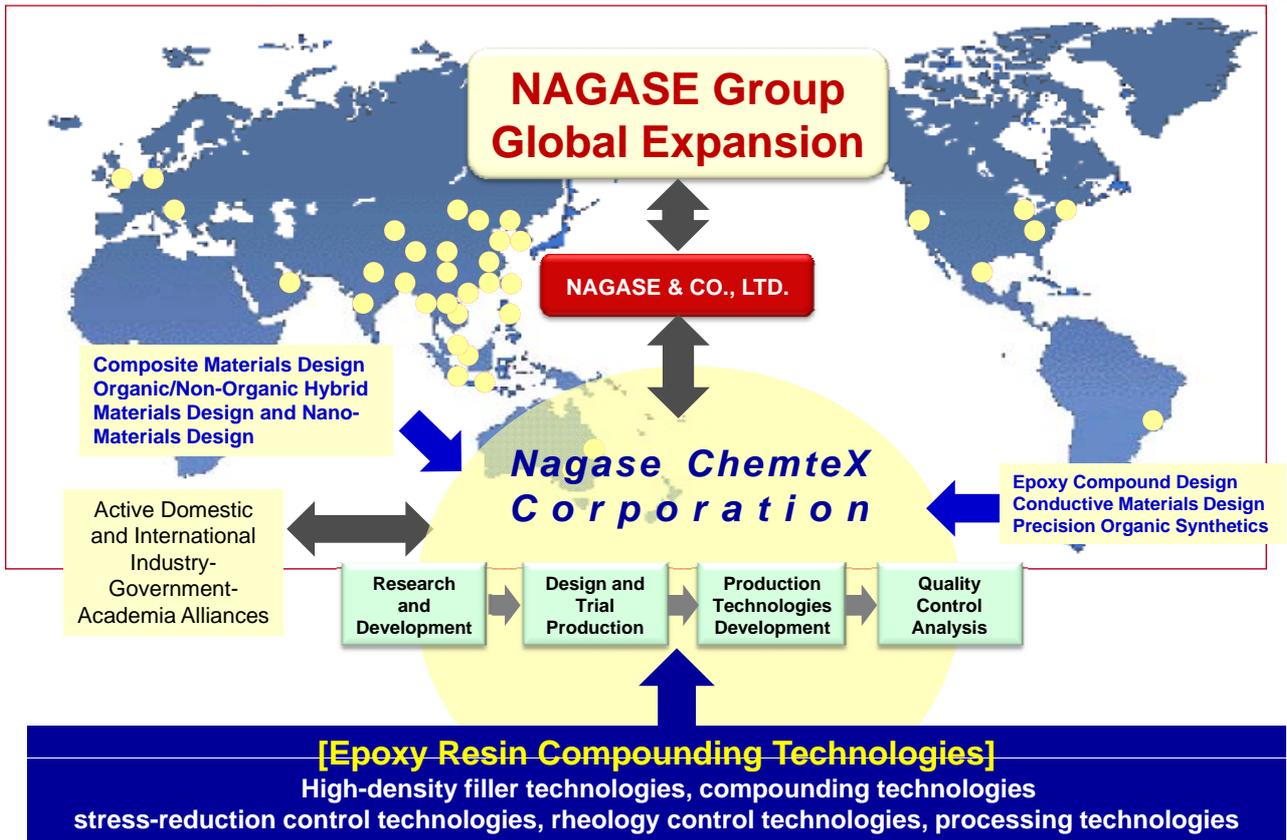
- ✓Electrical and Electronic Components
- ✓Microelectronics and Semiconductors

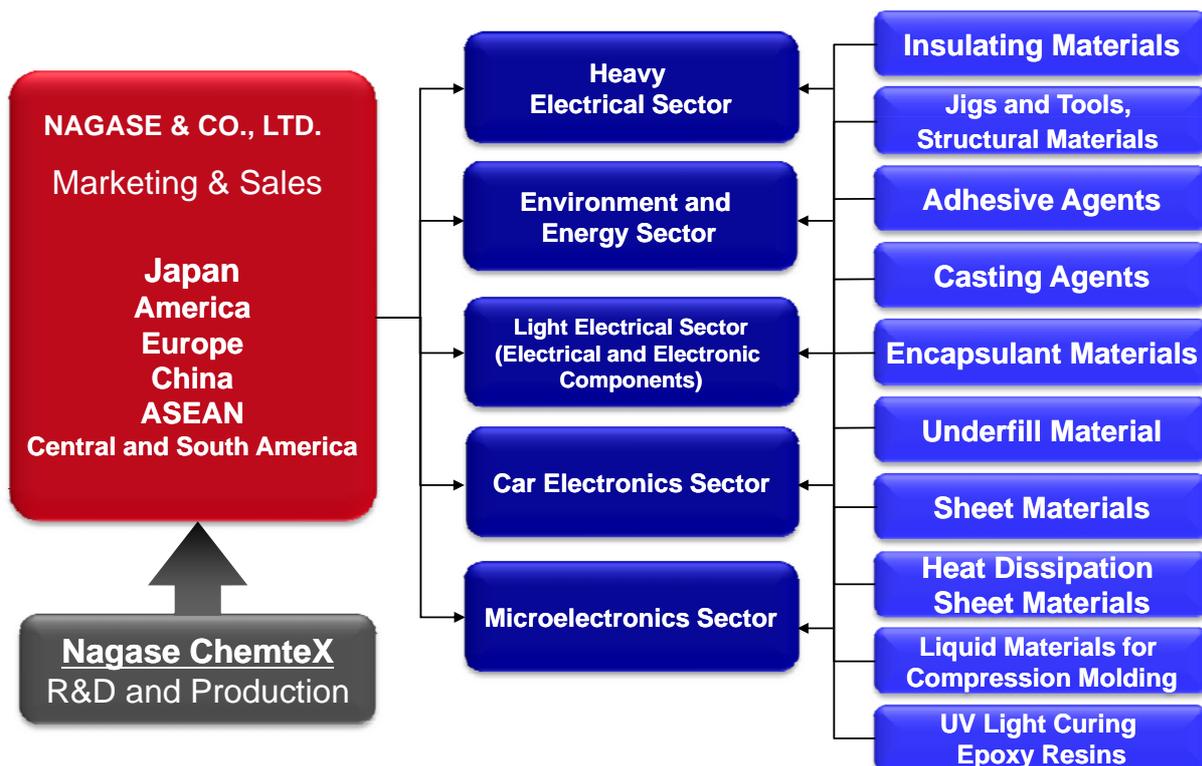
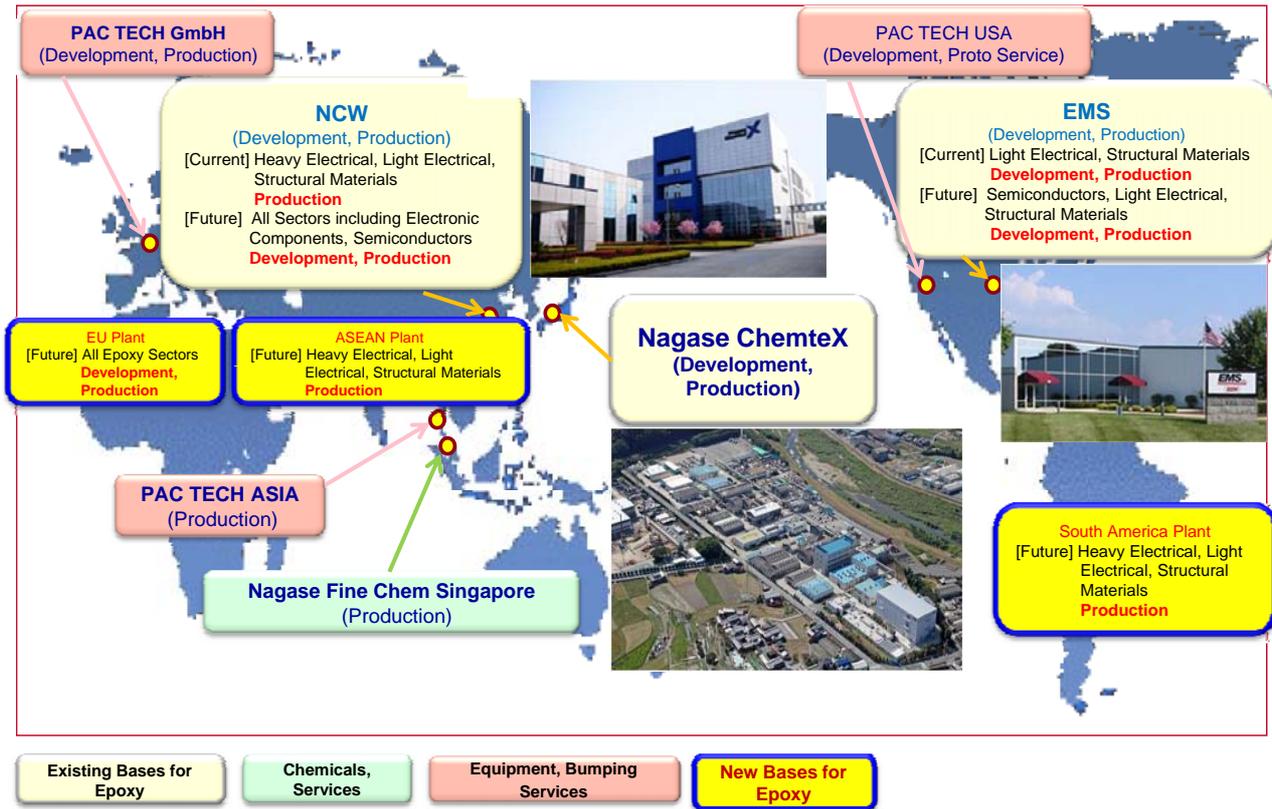


- ✓Car Electronics

- 1962 NAGASE & CO., LTD. begins domestic production of epoxy resins at Amagasaki Higashi Factory
- 1970 Established Nagase-CIBA Ltd. (now Nagase ChemteX Corporation) jointly with Ciba-Geigy Ltd.
- 2000 Nagase-CIBA Ltd. reorganized as Nagase ChemteX Corporation with 100% funding from NAGASE & CO., LTD.
- 2001 Nagase ChemteX, Nagase Chemicals, Teikoku Chemical Industries ,and Nagase Biochemicals, in four-way merger to create newly organized Nagase ChemteX Corporation
- 2002 Joint investment with Nagase ChemteX Corporation to establish Nagase ChemteX (Wuxi) Corporation (NCW)
- 2003 ISO 9001 integration; ISO 14001 certification
- 2012 Nagase ChemteX Corporation acquires all shares of U.S. epoxy manufacturer Engineered Materials Systems Inc. (EMS, Ohio), making the company a subsidiary

New construction of a microelectronics materials production building (clean room building)
- 2013 New application lab built at Nagase ChemteX (Wuxi) Corporation
- 2015 Acquired JIS Q9100 certification to expand aircraft-related business



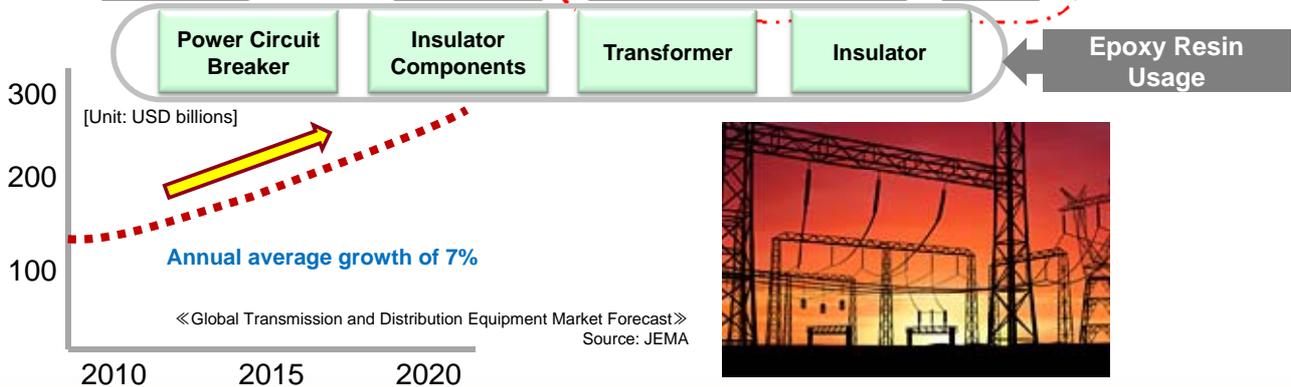
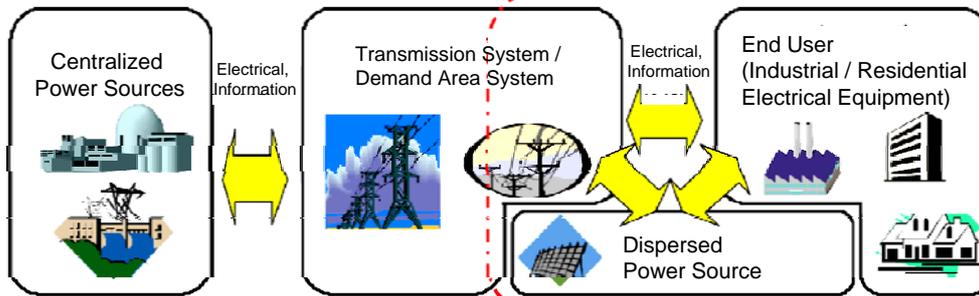


Heavy Electrical Sector

Large-scale transformers, insulators, large-scale insulator components
 Various insulator casting and molding materials used in transformer and power plant equipment

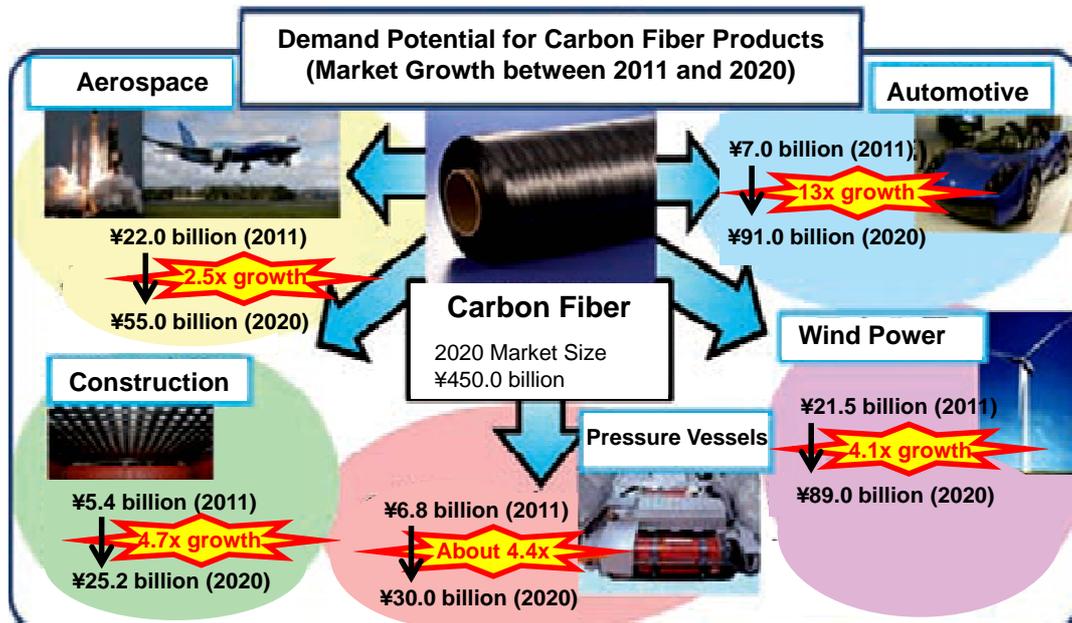
<Smart Grid Concept>

*Source: Ministry of Economy, Trade and Industry (Study Group for Low-Carbon Power-Supply Systems, February 24, 2009)



Environment and Energy Sector

Matrix materials for aircraft and matrix materials for automotive bodies
 Adhesives and matrix materials for wind power generation
 Structural adhesives for automotive bodies, matrix materials for hydrogen and other high-pressure tanks

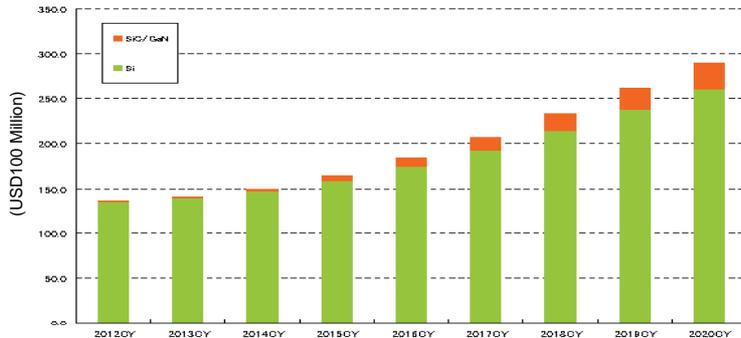


Source: METI

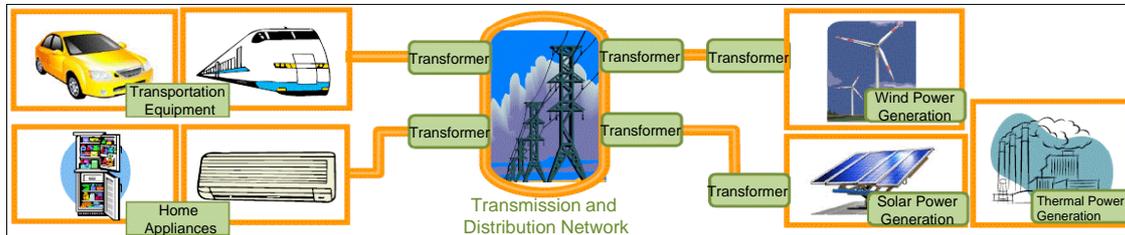
Light Electrical Sector
(Electrical and Electronic Components)

Casting, sealings, and adhesives for power modules, motors, condensers, transformers, reactors, coils, batteries, and other electrical and electronics components
castings, seals, adhesives

[Global Market Size and Forecast for Power Semiconductors] Source: Yano Research Institute



[Power Electronics is a Key Technology for the Efficient Generation, Transmission, and Consumption of Electrical Energy] Source: Cabinet Office

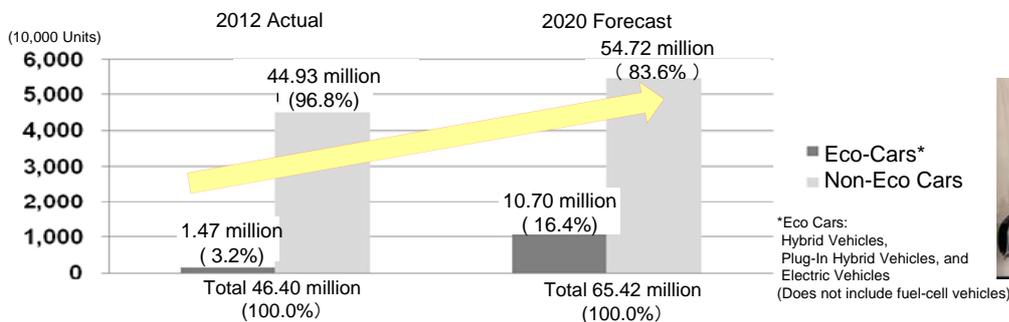


Car Electronics Sector

HEV/EV electronic components, electrical components, ignition coils
All varieties of sensor encapsulants, casting, adhesives

[Change in Unit Sales for Eco-Friendly and Non-Eco-Friendly Vehicles (Passenger Vehicles) for Global Four Poles]

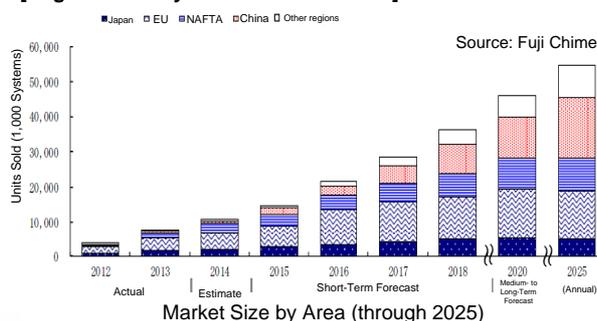
Source: Nomura Research Institute



*Eco Cars:
Hybrid Vehicles,
Plug-In Hybrid Vehicles,
and Electric Vehicles
(Does not include fuel-cell vehicles)

[Regenerative System Demand Trends]

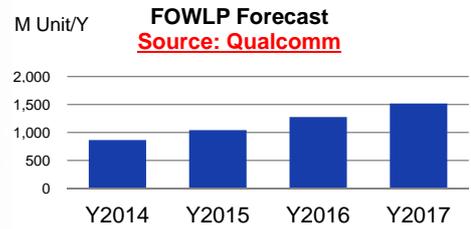
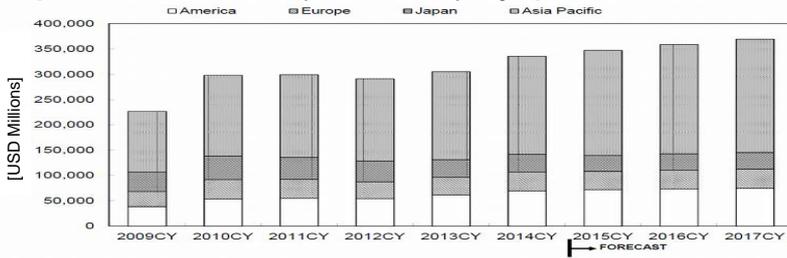
Source: Fuji Chimera Research Institute



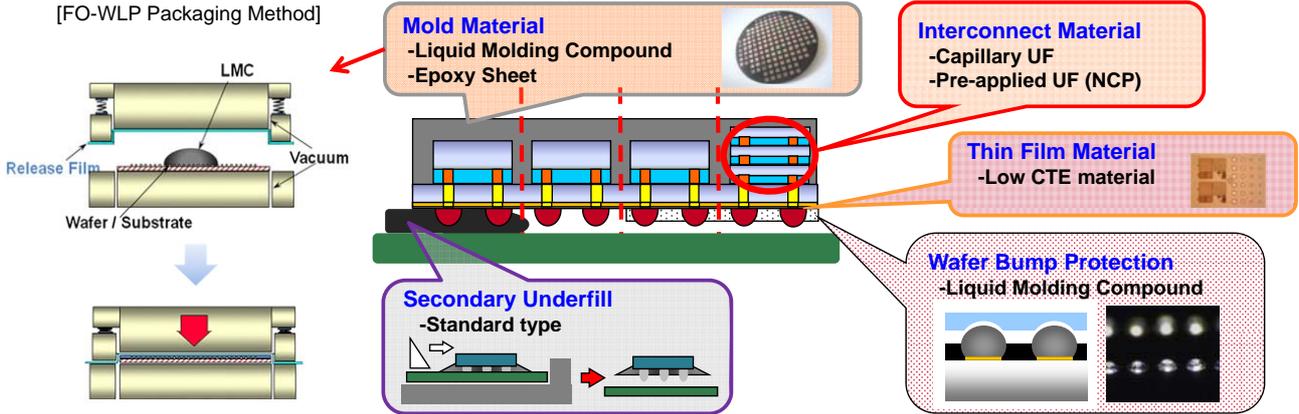
Microelectronics Sector

- Liquid semiconductor encapsulation materials for semiconductor packages, OLED displays/OLED lights
- Encapsulants for electronic components in mobile devices (SAW/BAW filters, inductors, etc.)

[Semiconductor Market History and Forecast by Region] Source: WSTS

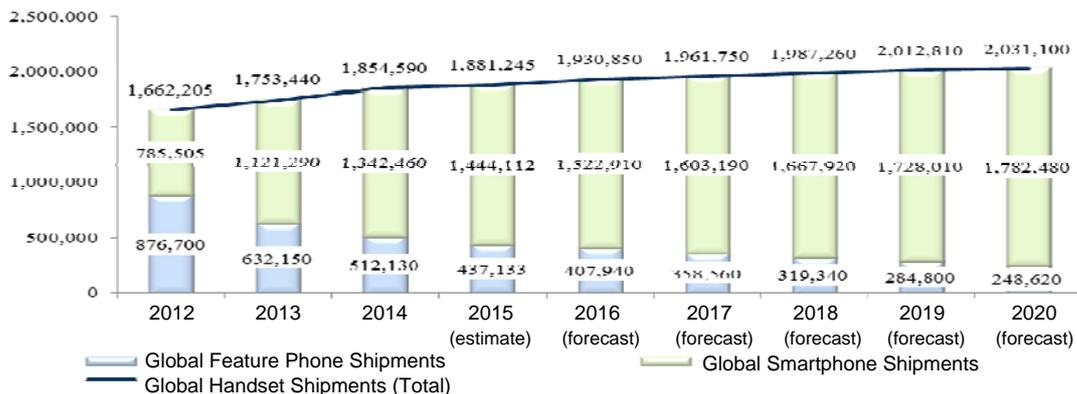


[FO-WLP Packaging Method]



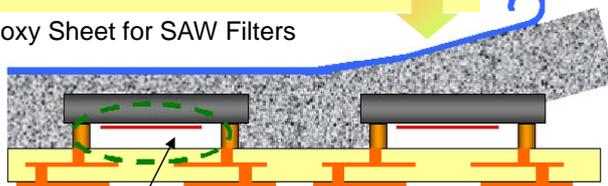
[Global Handset Market Size (Feature Phones + Smartphones)]

Source: Yano Research Institute (Unit: 1,000)



Important Electronic Components in Mobile Phones = SAW Filter =

Epoxy Sheet for SAW Filters



Hollow Space



Target Market	Industry	Heavy Electrical	Light Electrical	Car Electronics	Microelectronics	Environment Energy
	Sectors	Electrical Power Equipment	Industrial Machinery, Household Equipment	HEV/EV FCV	Smartphones, Tablets, Lighting	Aircraft, Automotive Energy
	Product Usage	Coils, Transformers SIS/GIS	Power Modules	Electronic Components Power Train Semiconductors FPD	Electronic Components Semiconductors OLED E-paper	Airframes Automotive Bodies Hydrogen Tanks Windmills
	Region	Japan, Europe, China, Asia	Japan, Europe, China, Asia	Japan, Europe, U.S., Asia	Japan, Europe, U.S., Asia, China	Japan, Europe, U.S., China
	Customers	Heavy Electric Machinery Manufacturers	Electrical Component, Electronic Component Manufacturers	Automotive Manufacturers Electrical Component Manufacturers	Semiconductor Manufacturers Electronic Component Manufacturers	Aircraft Manufacturers Automotive Manufacturers Heavy Equipment Manufacturers Composites Manufacturers
	Materials	Cast Molding Materials Adhesive Agents	Cast Molding Materials Adhesive Agents	Cast Molding Materials Adhesive Agents Encapsulant Sheets/Heat Dissipation Sheets	Encapsulant Sheets Heat Dissipation Sheets Liquid Encapsulation Resin Liquid Sealing Agents	Honeycomb Adhesive Agents Matrix Materials
Important Action Plans	<ul style="list-style-type: none"> Accelerate Overseas Expansion (Europe, China, Asia) 	<ul style="list-style-type: none"> Respond to Energy-Saving Technologies 	<ul style="list-style-type: none"> Expand Product Lines to Respond to Move toward Digital Technology 	<ul style="list-style-type: none"> Respond to Miniaturization Technologies 	<ul style="list-style-type: none"> Respond to Weight-Saving Technologies 	

Global Market Size

¥65.0 billion *Nagase Epoxy Business Sales: ¥14.1 billion (currently)

(Reference) Information by Segment

<Net Sales/Operating Profit by Location>

(100 millions of yen)

	FYE03/15		FYE03/16				
	Interim	Year Actual	Interim	Vs. PY	Year Forecast	Vs. PY	
Net sales	Domestic	812	1,631	753	93%	1,672	103%
	Overseas	221	454	238	108%	526	116%
	Eliminations	-195	-403	-200	-	-422	-
	Total	838	1,682	792	94%	1,776	105%
Operating profit	Domestic	15	33	15	97%	33	102%
	Overseas	5	10	5	108%	11	105%
	Eliminations	-0	-1	+0	-	-0	-
	Total	20	43	20	103%	44	102%

•Figures above are a combination of consolidated entities by location. Inter-region eliminations not reflected; adjustments provided in the eliminations column

FYE March 2016 Second Quarter Earnings

Net sales

¥79.2 billion (94%)

- ◆ The performance chemicals business recorded lower overall sales. While sales grew overseas, domestic weakness in automotive production led to lower sales of coating materials and urethane materials.
- ◆ The speciality chemicals business recorded lower overall sales. While plastic additives, semiconductor-related products, and other electronics industry-related chemicals sales were strong, sales of processing oils and other products were comparatively sluggish.

Operating income

¥2.0 billion (103%)

- ◆ Higher profits, mainly due to improved profit ratios

FYE March 2016 Outlook

- ◇ Coating materials and urethane-related business should recover during the second half of the year in conjunction with the recovery in automotive production.



Performance Chemicals Department

Coating Materials:

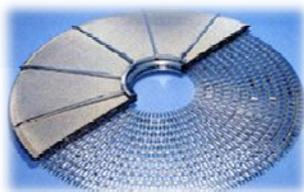
Used in automotive bodies, etc.



Performance Chemicals Department

Urethane Materials:

Used in car seat cushions, etc., due to high adhesion and elasticity.



Speciality Chemicals Department

Denafilter™:

Used to remove contaminants during the film manufacturing process for LCD panels and other products. Produced by subsidiary Nagase Filter Co., Ltd.

<Net Sales/Operating Profit by Location>

(100 millions of yen)

	FYE03/15		FYE03/16				
	Interim	Year Actual	Interim	Vs. PY	Year Forecast	Vs. PY	
Net sales	Domestic	791	1,618	778	98%	1,678	104%
	Overseas	757	1,569	868	115%	1,824	116%
	Eliminations	-308	-646	-313	-	-678	-
	Total	1,240	2,541	1,333	108%	2,824	111%
Operating profit	Domestic	10	24	11	109%	24	102%
	Overseas	11	23	14	121%	29	122%
	Eliminations	-0	+0	+0	-	+1	-
	Total	22	48	25	116%	54	112%

•Figures above are a combination of consolidated entities by location. Inter-region eliminations not reflected; adjustments provided in the eliminations column

FYE March 2016 Second Quarter Earnings

Net sales **¥133.3 billion (108%)**

- ◆ The colors and imaging business recorded higher revenues as a whole. Despite lower sales of materials for LCD TV reflectors and conductive materials, sales were higher for dyes and additives, information printing materials, anti-reflective optical sheets, and plastic materials.
- ◆ The segment's business selling plastics and other products to the office equipment etc. recorded higher net sales as a whole. This result was mainly due to gains in Northeast Asia and Southeast Asia, despite lower performance domestically.

Operating income **¥2.5 billion (116%)**

- ◆ Higher profits, mainly due to higher net sales

FYE March 2016 Outlook

- ◇ Sales for business selling plastics for the office equipment market should continue to be strong throughout the second half of the year. Certain manufacturing subsidiaries should see improved revenues.



Colors & Advanced Processing Department

Color Formers:
Subsidiary Fukui Yamada Chemical Co., Ltd. manufactures ink raw materials used in thermal paper for printing receipts, tickets, etc.



Colors & Advanced Processing Department

Conductive Material (Denatron):
Anti-static material used in films manufactured by subsidiary Nagase ChemteX.



Colors & Advanced Processing Department

Anti-Reflective Optical Film:
Anti-reflective optical sheets used in smartphones, car navigation systems, etc.



Colors & Advanced Processing Department

Copolyester Resin (Tritan™):
Copolyester resin with improved heat resistance to 100 °C and greater. Used in glass-like containers.



Polymer Global Account Department

Engineering Plastics:
Used in office equipment products.

<Net Sales/Operating Profit by Location>

(100 millions of yen)

	FYE03/15		FYE03/16				
	Interim	Year Actual	Interim	Vs. PY	Year Forecast	Vs. PY	
Net sales	Domestic	717	1,410	629	88%	1,464	104%
	Overseas	408	810	384	94%	940	116%
	Eliminations	-369	-721	-360	-	-780	-
	Total	756	1,499	653	86%	1,624	108%
Operating profit	Domestic	19	37	19	100%	38	101%
	Overseas	3	19	19	510%	31	162%
	Eliminations	-0	-1	-2	-	-2	-
	Total	23	55	37	159%	67	120%

* Figures above are a combination of consolidated entities by location. Inter-region eliminations not reflected; adjustments provided in the eliminations column (Including amortization of goodwill).

FYE March 2016 Second Quarter Earnings

Net sales ¥65.3 billion (86%)

- ◆ The electronic chemicals business recorded higher overall sales. Despite lower revenues for chemicals used in LCD panel manufacturing, sales of epoxy resin-related products rose.
- ◆ The electronic materials business recorded lower sales overall, mainly due to a decline in revenues for LCD-related products.

Operating income ¥3.7 billion (159%)

- ◆ Higher profits, mainly due to the recording of an allowance for doubtful accounts at a Taiwanese subsidiary during the prior year.

FYE March 2016 Outlook

- ◇ Epoxy resin-related business expected to continue strong sales during the second half of the year.



Electronic Chemicals Department

Chemicals Used for LCD Panel Manufacturing:
Manufactured by subsidiary Nagase ChemteX. Used in the manufacturing of LCD panels.



Electronic Chemicals Department

Epoxy Resins:
Manufactured by subsidiary Nagase ChemteX. Used in a variety of industrial sectors, including sealants for semiconductors, optical component materials for displays, and adhesive agents used in everything from construction and building materials to electrical equipment, electronics, automobiles, ships, and wind power generation.



Electronic Materials Department

Materials for LCD-Related Products:
Sales of display device peripheral components and touch panel materials for smartphones and tablet PCs.

<Net Sales/Operating Profit by Location>

(100 millions of yen)

	FYE03/15		FYE03/16				
	Interim	Year Actual	Interim	Vs. PY	Year Forecast	Vs. PY	
Net sales	Domestic	270	553	262	97%	553	100%
	Overseas	348	759	414	119%	839	111%
	Eliminations	-99	-214	-108	-	-219	-
	Total	519	1,098	568	110%	1,174	107%
Operating profit	Domestic	-0	0	-4	-	-2	-
	Overseas	11	22	11	101%	22	100%
	Eliminations	+0	-1	+0	-	-0	-
	Total	10	22	7	67%	20	90%

•Figures above are a combination of consolidated entities by location. Inter-region eliminations not reflected; adjustments provided in the eliminations column

FYE March 2016 Second Quarter Earnings

Net sales

¥56.8 billion (110%)

- ◆ The automobile-related business recorded higher net sales overall. While sales in Japan were weak due to lower automobile production, the markets in the Americas, China, and Southeast Asia were strong.
- ◆ The energy business recorded higher net sales as a whole, driven by growth in solar power-related products and lithium ion battery products.

Operating income

¥700 million (67%)

- ◆ Lower profits due to costs related to the launch of new businesses in Japan

FYE March 2016 Outlook

- ◇ Recovery in automobile production during the second half of the year should lead to increased net sales for automobile-related products.



Automotive Solutions Department

Resins (Polycarbonate): Used in headlights and other applications.
Resins (PP): Used in bumpers and other applications.



Automotive Solutions Department

Resin (PCABS, etc.), Decorative Films: Used in/around instrument panels and dashboards.



Automotive Solutions Department

Floorboard Manufacturing: Performed by an affiliated company.

<Net Sales/Operating Profit by Location>

(100 millions of yen)

	FYE03/15		FYE03/16				
	Interim	Year Actual	Interim	Vs. PY	Year Forecast	Vs. PY	
Net sales	Domestic	459	950	490	107%	1,014	107%
	Overseas	57	124	63	110%	133	107%
	Eliminations	-148	-309	-144	-	-324	-
	Total	369	766	409	111%	823	107%
Operating profit	Domestic	28	62	29	103%	63	101%
	Overseas	0	2	1	197%	3	106%
	Eliminations	-16	-33	-14	-	-32	-
	Total	13	31	16	125%	34	108%

* Figures above are a combination of consolidated entities by location. Inter-region eliminations not reflected; adjustments provided in the eliminations column (Including amortization of goodwill).

FYE March 2016 Second Quarter Earnings

Net sales ¥40.9 billion (111%)

◆ The life & healthcare products business recorded sales gains as a whole. Sales were higher for our proprietary TREHA™ and other products to the food materials industry in Japan and overseas. In the skin care and toiletries field, the business recorded higher sales of our proprietary AA2G™ and raw materials.

◆ The beauty care products business experienced lower revenues due to slow sales of existing products.

Operating income ¥1.6 billion (125%)

◆ Higher profits due to higher net sales and abandonment of unprofitable businesses

FYE March 2016 Outlook

◇ Sales of raw materials to the skin care and toiletries industries should continue to be strong throughout the second half of the year.

◇ Sales of anti-cancer drugs and other medical-related business products expected to be strong.



Life & Healthcare Products Department

TREHA™:

Manufactured by subsidiary Hayashibara Co., Ltd. TREHA™ is a sweetener functional saccharide that slows quality degradation caused by freezing or drying. A sweetener used for a wide variety of processed foods including traditional Japanese and western confections.

Life & Healthcare Products Department

AA2G™:

Manufactured by subsidiary Hayashibara Co., Ltd. AA2G™ is a stabilized vitamin C, produced by combining unstable vitamin C with glucose. Used in domestic and overseas whitening cosmetics due to its stability, resistance to staining, and promotion of vitamin C bioactivity.

Life & Healthcare Products Department

Pharmaceuticals and Medical Field:

Conducts sales of pharmaceutical raw materials and intermediates; subsidiary Nagase Medicals Co., Ltd. engaged in the manufacture of anti-cancer drugs.

Beauty Care Products Department

Cosmetics Materials:

NAGASE & CO., LTD. is engaged in the sales of cosmetics materials. Subsidiary Nagase Beauty Care Co., Ltd. is engaged in the manufacture and sale of cosmetics and health foods.

NAGASE & CO., LTD.

<http://www.nagase.co.jp>

These presentation materials contain forward-looking projections based on assumptions, forecasts, and plans as of November 30, 2015. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.