

## Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2023 <Under Japanese GAAP>

August 4, 2022

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

### NAGASE & CO., LTD.

Stock exchange listing: Tokyo (Prime Market)

Code number: 8012 URL (<https://www.nagase.co.jp/english/>)

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Filing of quarterly report (scheduled): August 10, 2022

Start of distribution of dividends (scheduled): -

Supplementary documents of quarterly financial results: Yes

Quarterly investors' meeting: No

(Note: Amounts have been rounded down to the nearest million yen.)

### 1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2021 to June 30, 2022)

#### (1) Consolidated Operating Results

(% = year-on-year change)

|   | Net sales       |      | Gross profit    |      | Operating income |       | Ordinary income |       | Profit attributable to owners of the parent |      |
|---|-----------------|------|-----------------|------|------------------|-------|-----------------|-------|---|------|
|   | Millions of yen | %    | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %     | Millions of yen                             | %    |
| For the first quarter ended June 30, 2022 | 219,571         | 19.1 | 39,904          | 15.4 | 10,871           | 11.6  | 11,542          | 8.3   | 7,969                                       | 11.2 |
| June 30, 2021                             | 184,389         | 36.9 | 34,589          | 32.7 | 9,738            | 165.1 | 10,660          | 151.6 | 7,169                                       | 5.3  |

(Note) Comprehensive income

First quarter ended June 30, 2022: ¥17,047 million (57.6%)

First quarter ended June 30, 2021: ¥10,814 million (8.7% decrease)

|   | Earnings per share |  | Earnings per share (diluted) |  |
|---|--------------------|--|------------------------------|--|
|   | Yen                |  | Yen                          |  |
| For the first quarter ended June 30, 2022 | 66.69              |  | -                            |  |
| June 30, 2021                             | 58.37              |  | -                            |  |

#### (2) Consolidated Financial Position

|                | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|----------------|-----------------|-----------------|----------------------------|----------------------|
|                | Millions of yen | Millions of yen | %                          | Yen                  |
| June 30, 2022  | 782,013         | 366,387         | 45.4                       | 2,980.41             |
| March 31, 2022 | 739,720         | 355,092         | 46.5                       | 2,868.22             |

(Reference) Equity capital

As of June 30, 2022: ¥ 354,673 million

As of March 31, 2022: ¥ 344,261 million

### 2. Dividends

|                                | Annual dividends per share |       |    |                 |        |
|--------------------------------|----------------------------|-------|----|-----------------|--------|
|                                | 1Q                         | 2Q    | 3Q | Fiscal year end | Annual |
| For the year ended (or ending) | Yen                        |       |    |                 |        |
| March 2022                     | -                          | 24.00 | -  | 30.00           | 54.00  |
| March 2023                     | -                          | -     | -  | -               | -      |
| March 2023 (forecast)          | -                          | 30.00 | -  | 30.00           | 60.00  |

(Note) Revisions to the latest dividends forecast: No

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023

(April 1, 2022 to March 31, 2023)

(% = year-on-year change)

|                  | Gross profit    |      | Operating income |     | Ordinary income |     | Profit attributable to owners of the parent |     | Earnings per share |
|------------------|-----------------|------|------------------|-----|-----------------|-----|---|-----|--------------------|
|                  | Millions of yen | %    | Millions of yen  | %   | Millions of yen | %   | Millions of yen                             | %   | Yen                |
| Full fiscal year | 159,000         | 14.0 | 38,000           | 7.8 | 39,000          | 6.9 | 28,500                                      | 9.9 | 241.35             |

(Note) Revisions to the latest consolidated earnings forecast: No

#### \* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): No

New: — (Company name: ) Excluded: — (Company name: )

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes*, (3) *Notes Related to Quarterly Consolidated Financial Statements (Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)*, on P.10 of this document.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- i. Changes in accordance with revisions to accounting and other standards: No
- ii. Changes in items other than (i) above: No
- iii. Changes in accounting estimates: No
- iv. Restatement of prior period financial statements after error corrections: No

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

|               |                    |                |                    |
|---------------|--------------------|----------------|--------------------|
| June 30, 2022 | 120,908,285 shares | March 31, 2022 | 120,908,285 shares |
|---------------|--------------------|----------------|--------------------|

ii. Number of treasury stock as of the fiscal period end

|               |                  |                |                |
|---------------|------------------|----------------|----------------|
| June 30, 2022 | 1,906,567 shares | March 31, 2022 | 881,767 shares |
|---------------|------------------|----------------|----------------|

iii. Average number of shares during the period

|               |                    |               |                    |
|---------------|--------------------|---------------|--------------------|
| June 30, 2022 | 119,507,343 shares | June 30, 2021 | 122,837,754 shares |
|---------------|--------------------|---------------|--------------------|

**\* Quarterly financial statements are not subject to quarterly review.**

#### \* Cautionary Statement with Respect to Forecasts of Consolidated Business Results

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

For matters related to earnings forecasts, please refer to 1. *Qualitative Information*, (3) *Qualitative Information Related to Consolidated Earnings Forecasts*, on P.5 of this document.

## Attachments

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## 1. Qualitative Information

### (1) Review of Business Performance

#### a. General Summary of Results

Despite the prolonged impact of the COVID-19 pandemic during the first quarter of the current consolidated fiscal year, the global economy showed signs of improvement toward socioeconomic normalization in response to a recovery in personal consumption and other factors. However, the outlook remains uncertain due to food shortages caused by the protracted situation in Ukraine and continued high prices for resources, as well as ongoing disruptions in the global supply chain due to the Shanghai lockdowns, etc. Further, concerns are rising regarding a recession caused by monetary tightening in response to accelerating inflation.

As an overview of the regions in which our group does business, in Greater China, the economy stagnated for a period of time due to the lockdowns and a Zero Covid policy. However, consumer spending and manufacturing production have begun to recover since the easing of restrictions. In the Americas, a possible economic slowdown has emerged due to continued high resource prices and repeated interest rate hikes due to concerns about inflation caused by labor shortages and rising wages. Despite shades of gray from country to country, economic activity resumed in ASEAN and is recovering. In Japan, there are concerns of an economic slowdown due to rising energy and raw materials prices, as well as the impact of a weak yen on increasing consumer prices. However, COVID-19-related restrictions on activities have been eased and economic activity is normalizing. More recently, infections have been on the rise due to variant strains, but we believe the impact on the economy will be limited in nature.

Under these conditions, NAGASE Group performance was favorable, driven by growth in food-related and semiconductor-related products, business which are focus areas of our medium-term management plan. Further, the depreciation of the yen has had an upward impact on group profit.

In this environment, earnings for the cumulative consolidated first quarter of the current fiscal year are as follows.

(Millions of yen)

|   | Three-month period ended June 30, 2021 | Three-month period ended June 30, 2022 | Change | Change (%) |
|---|--|--|--------|------------|
| Net sales                                   | 184,389                                | 219,571                                | 35,182 | 19.1       |
| Gross profit                                | 34,589                                 | 39,904                                 | 5,314  | 15.4       |
| Operating income                            | 9,738                                  | 10,871                                 | 1,132  | 11.6       |
| Ordinary income                             | 10,660                                 | 11,542                                 | 881    | 8.3        |
| Profit before income taxes                  | 10,881                                 | 11,438                                 | 557    | 5.1        |
| Profit attributable to owners of the parent | 7,169                                  | 7,969                                  | 799    | 11.2       |

- Record-high profits for the first quarter of the current consolidated fiscal year in all stages of profit below gross profit for the NAGASE Group.
- Despite lower profit in the Advanced Materials & Processing segment, profit increased mainly due to the Prinova Group driving significant performance growth in the Life & Healthcare Segment, as well as strong performance in the Functional Materials segment. See *b. Segment Summary* for more.
- As a result of the preceding, profit attributable to owners of the parent increased ¥700 million to ¥7.9 billion.

## b. Segment Summary

The following describes performance by segment.

### Functional Materials

(Millions of yen)

|                  | Three-month<br>period ended<br>June 30, 2021 | Three-month<br>period ended<br>June 30, 2022 | Change | Change (%) |
|------------------|--|--|--------|------------|
| Net sales        | 24,634                                       | 28,654                                       | 4,020  | 16.3       |
| Gross profit     | 4,868  | 5,816  | 948    | 19.5       |
| Operating income | 1,981  | 2,388  | 406    | 20.5       |

- Sales increased for coating and urethane raw materials, due in part to soaring market prices and the weakening of the yen
- Sales increased for raw materials for industrial oil solutions and resins
- Sales increased for electronics chemicals to the electronics industry, including semiconductor-related products
- Operating income increased due to an increase in gross profit

### Advanced Materials & Processing

(Millions of yen)

|                  | Three-month<br>period ended<br>June 30, 2021 | Three-month<br>period ended<br>June 30, 2022 | Change | Change (%) |
|------------------|--|--|--------|------------|
| Net sales        | 61,799                                       | 65,131                                       | 3,331  | 5.4        |
| Gross profit     | 8,269  | 8,161  | (107)  | (1.3)      |
| Operating income | 3,299  | 2,599  | (700)  | (21.2)     |

- Despite the positive impact of the weak yen on sales, profitability decreased for resin sales to the office equipment, appliance, and video game device market due to a reactionary decline stemming from increased profit ratios in connection with soaring market conditions in the year-ago period
- Sales decreased for dyes and additives
- Sales increased for resins for industrial and packaging applications
- Sales of conductive materials were strong; however, sales of digital print processing materials were slow
- Operating income decreased due to a decrease in gross profit

### Electronics & Energy

(Millions of yen)

|                  | Three-month<br>period ended<br>June 30, 2021 | Three-month<br>period ended<br>June 30, 2022 | Change | Change (%) |
|------------------|--|--|--------|------------|
| Net sales        | 29,949                                       | 33,933                                       | 3,984  | 13.3       |
| Gross profit     | 7,239  | 7,893  | 654    | 9.0        |
| Operating income | 2,554  | 2,617  | 62     | 2.5        |

- Sales increased for products related to precision processing materials for semiconductors
- Sales of display materials were slow, although profitability improved due to the weak yen, etc.
- Sales of formulated epoxy resins were strong for semiconductor applications, but slow for mobile devices
- Sales of photolithography materials for displays were firm, but profitability was lower due to soaring raw materials prices, etc.
- Operating income increased due to an increase in gross profit

### Mobility

(Millions of yen)

|                  | Three-month<br>period ended<br>June 30, 2021 | Three-month<br>period ended<br>June 30, 2022 | Change | Change (%) |
|------------------|--|--|--------|------------|
| Net sales        | 23,225                                       | 27,018                                       | 3,792  | 16.3       |
| Gross profit     | 2,999  | 3,215  | 215    | 7.2        |
| Operating income | 994  | 932  | (61)   | (6.2)      |

- Sales increased for resins due to the weak yen, etc., despite lower automobile production
- Sales increased for functional materials and functional components for interior and exterior fittings and electrification
- Although gross profit increased, operating income declined due to higher selling, general and administrative expenses

### Life & Healthcare

(Millions of yen)

|                  | Three-month<br>period ended<br>June 30, 2021 | Three-month<br>period ended<br>June 30, 2022 | Change | Change (%) |
|------------------|--|--|--------|------------|
| Net sales        | 44,715                                       | 64,814                                       | 20,099 | 45.0       |
| Gross profit     | 11,150                                       | 14,796                                       | 3,645  | 32.7       |
| Operating income | 2,713  | 4,144  | 1,431  | 52.8       |

- Materials sales, manufacturing, and processing in the nutrition-related business performed well
- Sales increased for food materials, primarily TREHA™
- Sales of cosmetics materials, primarily for AA2G™, decreased due to lower demand, mainly overseas
- Sales increased for pharmaceutical raw materials
- Operating income increased due to an increase in gross profit

### Others

No special matters to disclose.

**(2) Review of Financial Position**

(Millions of yen)

|                                | Prior Consolidated Fiscal Year<br>(March 31, 2022) | First Quarter, Current Consolidated Fiscal Year<br>(June 30, 2022) | Change  | Change (%) |
|--------------------------------|--|--|---------|------------|
| Current assets                 | 514,286  | 552,789  | 38,502  | 7.5        |
| Non-current assets             | 225,434  | 229,224  | 3,789   | 1.7        |
| Net assets                     | 739,720  | 782,013  | 42,292  | 5.7        |
| Liabilities                    | 384,628  | 415,625  | 30,997  | 8.1        |
| Net assets                     | 355,092  | 366,387  | 11,295  | 3.2        |
| Shareholders' equity ratio (%) | 46.5   | 45.4   | (1.1) p | —          |

- Current assets increased mainly due to an increase in inventories and accounts receivable
- Non-current assets increased slightly due to an increase in property, plant and equipment and intangible fixed assets, despite lower fair values of investments in securities
- Liabilities increased mainly due to an increase in commercial paper and short-term loans
- Net assets increased mainly due to the recording of quarterly profit attributable to owners of the parent and an increase in translation adjustments, despite decreases from purchases of treasury stock and payments of dividends
- As a result, the Company recorded a shareholders' equity ratio of 45.4%, down 1.1 points compared to 46.5% from the end of the prior consolidated fiscal year

**(3) Qualitative Information Related to Consolidated Earnings Forecasts**

The Company has made no changes to the full-year consolidated earnings forecasts announced on May 10, 2022.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

|                                      | Prior Consolidated Fiscal Year<br>(March 31, 2022) | First Quarter, Current<br>Consolidated Fiscal Year<br>(June 30, 2022) |
|--------------------------------------|--|---|
| (Millions of yen)                    |  |   |
| <b>ASSETS</b>                        |  |   |
| Current assets                       |  |   |
| Cash and time deposits               | 54,211   | 52,152  |
| Notes and accounts receivable        | 289,862  | 303,861   |
| Merchandise and finished goods       | 142,590  | 160,643   |
| Work in process                      | 2,401  | 2,516   |
| Raw materials and supplies           | 12,533   | 14,259  |
| Other                                | 13,935   | 20,554  |
| Less allowance for doubtful accounts | (1,248)  | (1,198)   |
| Total current assets                 | 514,286  | 552,789   |
| Non-current assets                   |  |   |
| Property, plant and equipment        | 72,554   | 75,729  |
| Intangible fixed assets              |  |   |
| Goodwill                             | 29,492   | 29,986  |
| Technology-based assets              | 5,912  | 5,518   |
| Other                                | 29,664   | 31,827  |
| Total intangible fixed assets        | 65,070   | 67,333  |
| Investments and other assets         |  |   |
| Investments in securities            | 75,600   | 73,757  |
| Long-term loans receivable           | 24   | 21  |
| Retirement benefit asset             | 3,139  | 3,194   |
| Deferred tax assets                  | 3,572  | 3,627   |
| Other                                | 5,583  | 5,673   |
| Less allowance for doubtful accounts | (112)  | (112)   |
| Total investments and other assets   | 87,809   | 86,162  |
| Total non-current assets             | 225,434  | 229,224   |
| Total assets                         | 739,720  | 782,013   |



(Millions of yen)

|  | Prior Consolidated Fiscal Year<br>(March 31, 2022) | First Quarter, Current<br>Consolidated Fiscal Year<br>(June 30, 2022) |
|--|--|---|
| <b>LIABILITIES</b>                           |  |   |
| Current liabilities                          |  |   |
| Notes and accounts payable                   | 149,036  | 151,875   |
| Short-term loans                             | 73,121   | 79,517  |
| Current portion of long-term loans           | 8,752  | 8,329   |
| Commercial paper                             | 25,000   | 49,000  |
| Current portion of bonds                     | 10,000   | —   |
| Accrued income taxes                         | 7,100  | 3,663   |
| Accrued bonuses for employees                | 7,648  | 4,140   |
| Accrued bonuses for directors                | 497  | 156   |
| Other  | 26,678   | 29,903  |
| Total current liabilities                    | 307,836  | 326,586   |
| Long-term liabilities                        |  |   |
| Bonds  | 20,000   | 30,000  |
| Long-term loans                              | 28,244   | 28,879  |
| Deferred tax liabilities                     | 12,310   | 11,708  |
| Retirement benefit liability                 | 13,238   | 13,443  |
| Other  | 2,998  | 5,007   |
| Total long-term liabilities                  | 76,791   | 89,038  |
| Total liabilities                            | 384,628  | 415,625   |
| <b>NET ASSETS</b>                            |  |   |
| Shareholders' equity                         |  |   |
| Common stock                                 | 9,699  | 9,699   |
| Capital surplus                              | 10,639   | 10,639  |
| Retained earnings                            | 280,015  | 284,149   |
| Less treasury stock, at cost                 | (1,534)  | (3,400)   |
| Total shareholders' equity                   | 298,820  | 301,089   |
| Accumulated other comprehensive income       |  |   |
| Net unrealized holding gain on securities    | 31,732   | 30,147  |
| Deferred gain on hedges                      | 178  | 512   |
| Translation adjustments                      | 13,690   | 23,043  |
| Remeasurements of defined benefit plans      | (161)  | (118)   |
| Total accumulated other comprehensive income | 45,441   | 53,584  |
| Non-controlling interests                    | 10,830   | 11,714  |
| Total net assets                             | 355,092  | 366,387   |
| Total liabilities and net assets             | 739,720  | 782,013   |

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**

**(Quarterly Consolidated Statements of Income)**

Three-month periods ended June 30, 2022 and 2021

(Millions of yen)

|  | Three-month period ended<br>June 30, 2021<br>(April 1, 2021 - June 30, 2021) | Three-month period ended<br>June 30, 2022<br>(April 1, 2022 - June 30, 2022) |
|--|--|--|
| Net sales  | 184,389  | 219,571  |
| Cost of sales                                    | 149,799  | 179,666  |
| Gross profit                                     | 34,589   | 39,904   |
| Selling, general and administrative expenses     | 24,851   | 29,033   |
| Operating income                                 | 9,738  | 10,871   |
| Non-operating income                             |  |  |
| Interest income                                  | 41   | 18   |
| Dividend income                                  | 576  | 672  |
| Rent income                                      | 71   | 62   |
| Equity in gains of affiliates                    | —  | 83   |
| Foreign exchange gains                           | 531  | 328  |
| Other  | 91   | 186  |
| Total non-operating income                       | 1,312  | 1,352  |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 290  | 490  |
| Equity in losses of affiliates                   | 4  | —  |
| Other  | 95   | 191  |
| Total non-operating expenses                     | 390  | 681  |
| Ordinary income                                  | 10,660   | 11,542   |
| Extraordinary gains                              |  |  |
| Gain on sales of non-current assets              | 2  | 123  |
| Gain on sales of investment securities           | 571  | 43   |
| Other  | 178  | —  |
| Total extraordinary gains                        | 752  | 166  |
| Extraordinary losses                             |  |  |
| Loss on sales of non-current assets              | 155  | 3  |
| Loss on disposal of non-current assets           | 242  | 179  |
| Loss on sales of investment securities           | —  | 7  |
| Loss on valuation of investment securities       | 3  | 79   |
| Other  | 130  | —  |
| Total extraordinary losses                       | 531  | 270  |
| Income before income taxes                       | 10,881   | 11,438   |
| Income taxes                                     | 3,207  | 3,194  |
| Profit for the period                            | 7,674  | 8,244  |
| Profit attributable to non-controlling interests | 504  | 275  |
| Profit attributable to owners of the parent      | 7,169  | 7,969  |

**(Quarterly Consolidated Statements of Comprehensive Income)**

Three-month periods ended June 30, 2022 and 2021

(Millions of yen)

|   | Three-month period ended<br>June 30, 2021<br>(April 1, 2021 - June 30, 2021) | Three-month period ended<br>June 30, 2022<br>(April 1, 2022 - June 30, 2022) |
|---|--|--|
| Profit for the period   | 7,674  | 8,244  |
| Other comprehensive income  |  |  |
| Net unrealized holding loss on securities   | (1,840)  | (1,582)  |
| Deferred (loss) gain on hedges  | (16)   | 333  |
| Translation adjustments   | 5,034  | 9,542  |
| Remeasurements of defined benefit plans   | (70)   | 43   |
| Share of other comprehensive income of affiliates<br>accounted for by the equity method | 33   | 466  |
| Total other comprehensive income  | 3,140  | 8,802  |
| Comprehensive income  | 10,814   | 17,047   |
| Comprehensive income attributable to:   |  |  |
| Shareholders of the parent  | 9,978  | 16,112   |
| Non-controlling interests   | 835  | 934  |

### **(3) Notes Related to Quarterly Consolidated Financial Statements**

#### **(Assumption for Going Concern)**

No matters to report.

#### **(Significant Fluctuations in Shareholders' Equity)**

Following a resolution by the Company's board of directors at a meeting held February 9, 2022, the Company acquired 1,024,800 shares of treasury stock in the first quarter of the current consolidated fiscal year. As a result, treasury stock increased by ¥1,866 million, with treasury stock holdings of ¥3,400 million as of the end of the consolidated first quarter.

#### **(Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)**

##### **(Calculation of Tax Expenses)**

Tax expenses are calculated by rationally estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the current first quarter, and multiplying profit before income taxes for the first quarter by the estimated effective tax rate.

In the event that the calculated tax expenses using this estimated effective tax rate lead to significantly unreasonable results, this shall be calculated by multiplying the statutory effective tax rate after adjusting significant non-temporary differences by the profit before income taxes.

Deferred income taxes are included in income tax.

**(Segment Information, etc.)**

**Segment Information**

I Three-month period ended June 30, 2021 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

|                              | Reportable Segments     |                                       |                         |          |                      |         | Others<br>(Note) 1 | Total   | Corporate<br>(Note) 2 | Adjustments<br>(Note) 3 | Consolidated<br>(Note) 4 |
|------------------------------|-------------------------|---------------------------------------|-------------------------|----------|----------------------|---------|--------------------|---------|-----------------------|-------------------------|--------------------------|
|                              | Functional<br>Materials | Advanced<br>Materials &<br>Processing | Electronics &<br>Energy | Mobility | Life &<br>Healthcare | Total   |                    |         |                       |                         |                          |
| Net sales                    |                         |                                       |                         |          |                      |         |                    |         |                       |                         |                          |
| Sales to customers           | 24,634                  | 61,799                                | 29,949                  | 23,225   | 44,715               | 184,324 | 64                 | 184,389 | -                     | -                       | 184,389                  |
| Intersegment sales/transfers | 137                     | 171                                   | 520                     | 643      | 98                   | 1,571   | 854                | 2,426   | -                     | (2,426)                 | -                        |
| Total                        | 24,771                  | 61,971                                | 30,469                  | 23,869   | 44,814               | 185,896 | 918                | 186,815 | -                     | (2,426)                 | 184,389                  |
| Segment income (loss)        | 1,981                   | 3,299                                 | 2,554                   | 994      | 2,713                | 11,543  | 8                  | 11,551  | (1,948)               | 134                     | 9,738                    |

- (Note) 1. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.
2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
  3. Adjustments are eliminations of intersegment transactions.
  4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in "Consolidated".

II Three-month period ended June 30, 2022 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(Millions of yen)

|                              | Reportable Segments     |                                       |                         |          |                      |         | Others<br>(Note) 1 | Total   | Corporate<br>(Note) 2 | Adjustments<br>(Note) 3 | Consolidated<br>(Note) 4 |
|------------------------------|-------------------------|---------------------------------------|-------------------------|----------|----------------------|---------|--------------------|---------|-----------------------|-------------------------|--------------------------|
|                              | Functional<br>Materials | Advanced<br>Materials &<br>Processing | Electronics &<br>Energy | Mobility | Life &<br>Healthcare | Total   |                    |         |                       |                         |                          |
| Net sales                    |                         |                                       |                         |          |                      |         |                    |         |                       |                         |                          |
| Sales to customers           | 28,654                  | 65,131                                | 33,933                  | 27,018   | 64,814               | 219,553 | 18                 | 219,571 | -                     | -                       | 219,571                  |
| Intersegment sales/transfers | 283                     | 198                                   | 284                     | 386      | 128                  | 1,282   | 1,372              | 2,654   | -                     | (2,654)                 | -                        |
| Total                        | 28,937                  | 65,329                                | 34,218                  | 27,405   | 64,943               | 220,835 | 1,391              | 222,226 | -                     | (2,654)                 | 219,571                  |
| Segment income (loss)        | 2,388                   | 2,599                                 | 2,617                   | 932      | 4,144                | 12,682  | (13)               | 12,668  | (1,982)               | 185                     | 10,871                   |

- (Note) 1. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.
2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
  3. Adjustments are eliminations of intersegment transactions.
  4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in "Consolidated".