

Securities identification code: 8012

June 3, 2025

To our shareholders:

Hiroyuki Ueshima
Representative Director and President

NAGASE & CO., LTD.

1-1-17, Shinmachi, Nishi-ku,
Osaka City, Osaka, Japan
2-6-4, Otemachi, Chiyoda-ku,
Tokyo, Japan (Tokyo Head Office)

NOTICE OF THE 110TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 110th Annual Shareholders' Meeting of NAGASE & CO., LTD. (the "Company"), which will be held as described below.

When convening this shareholders' meeting, the Company takes measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. (items for which the measures for providing information in electronic format are taken) in electronic format, and posts this information on the Company's website on the Internet. Please access the Company's website mentioned below to review the information.

Company's website

<https://www.nagase.co.jp/ir/stock-information/stockholders-meetings/> (in Japanese)

In addition to posting the items for which the measures for providing information in electronic format are taken on the website above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the TSE website (Listed Company Search) by using the Internet address shown below, enter the issue name (Nagase & Co.) or securities code (8012), and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information" to review the information.

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

For this shareholders' meeting, we will deliver paper-based documents that contain the items for which the measures for providing information in electronic format are taken to all shareholders, regardless of whether or not they have requested the delivery of paper-based documents.

If you are unable to attend the meeting in person, you are kindly requested to exercise your voting rights in advance by postal mail or via the Internet, etc. We request that you exercise your voting rights on or before 5:15 p.m. on Tuesday, June 17, 2025 after considering the following Reference Documents for the Annual Shareholders' Meeting.

Meeting Details

1. **Date and time:** Wednesday, June 18, 2025 at 10:00 a.m. (Reception begins at 9:00 a.m.)
(Japan Standard Time)
2. **Venue:** Nihonbashi Mitsui Hall
COREDO Muromachi 1 (Reception: 4th floor)
2-2-1, Nihonbashi-muromachi, Chuo-ku, Tokyo
3. **Purposes:**
Items to be reported:
 1. Business Report and Consolidated Financial Statements for the 110th Term (from April 1, 2024 to March 31, 2025), as well as the results of audit of the Consolidated Financial Statements by the Independent Auditor and Audit & Supervisory Board
 2. Non-Consolidated Financial Statements for the 110th Term (from April 1, 2024 to March 31, 2025)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of nine (9) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Member
- Proposal 4:** Election of one (1) substitute Audit & Supervisory Board Member
- Proposal 5:** Revision of the Performance-Linked Share-Based Remuneration System for Directors
- Proposal 6:** Revision of Maximum Compensation Amount for Directors

4. Instructions on exercising voting rights:

1. If you exercise your voting rights both in writing (by postal mail) and via the Internet, etc., your vote via the Internet, etc. will be treated as the valid vote. If you exercise your voting rights via the Internet, etc. multiple times, the last vote will be treated as the valid vote.
2. Any voting form returned without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
3. If you exercise your voting rights by proxy, you may appoint as a proxy one of the shareholders holding voting rights at the shareholders' meeting. However, please note that a document verifying the proxy right of the person representing you must be submitted.

5. Other matters relating to this Notice:

Note regarding the shareholders' meeting:

Pursuant to laws and regulations and the provisions of the Articles of Incorporation, the following items among the items for which the measures for providing information in electronic format are taken are not included in this document.

Business Report: (1) Matters relating to share options for the Company's stock, (2) Independent Auditor, (3) Company systems and policies

Consolidated Financial Statements: (1) Consolidated Statement of Changes in Net Assets, (2) Notes to Consolidated Financial Statements

Non-Consolidated Financial Statements: (1) Non-Consolidated Statement of Changes in Net Assets, (2) Notes to Non-Consolidated Financial Statements

These items constitute part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Independent Auditor in preparing an accounting audit report, and part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Audit & Supervisory Board Members in preparing an audit report.

If any revisions are made to the items for which the measures for providing information in electronic format are taken, a statement to that effect as well as information before and after the revisions will be posted on the Company's website and TSE's website.

Reference Documents for the Annual Shareholders' Meeting

Proposal 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividend

The Company 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. For this fiscal year, the Company proposes a year-end dividend of 45 yen per share, based on consideration of its consolidated results, financial conditions and other matters.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

45 yen per common shares of the Company

Total amount of dividends: 4,893,635,835 yen

(3) Effective date of distribution of dividends of surplus

June 19, 2025

[Reference]

Matters relating to shareholder returns

- (1) Shareholder returns policy under the Medium-term Management Plan **ACE 2.0** (from fiscal 2021 to fiscal 2025)

The Company resolved at the Board of Directors meeting held on May 8, 2024 to change its shareholder returns policy to “total return ratio of 100%” as a tentative measure for two years until fiscal 2025, which is the final year of **ACE 2.0**, to achieve ROE of 8.0% or higher, a quantitative target under **ACE 2.0**.

We 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, as set out previously.

We previously set the amount of strategic cross-shareholdings sold during the period of **ACE 2.0** as the limitation on the amount of repurchases of treasury stock. However, under the policy above, we will repurchase treasury stock in a flexible manner, while keeping efficiency in mind.

- (2) Repurchases and cancellation of treasury stock

The Company repurchased treasury stock as follows.

• Repurchase of treasury stock

Total class and number of shares acquired	3,217,700 shares of common shares
Total value of acquisition value	9,999,842,400 yen
Acquisition period	From May 9, 2024 to October 25, 2024
Acquisition method	Purchased on the market

Total class and number of shares acquired	2,088,300 shares of common shares
Total value of acquisition value	6,999,981,600 yen
Date of acquisition	November 13, 2024
Acquisition method	Purchased through an off-auction share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange

• Cancellation of treasury stock

Class and number of shares canceled	3,000,000 shares of common shares (2.54% of the total number of issued shares (including treasury stock))
Date of cancellation	May 31, 2024

In addition, the Company decided on the repurchase and cancellation of treasury stock at the Board of Directors meeting held on May 8, 2025 as follows.

• Repurchase of treasury stock

Class and number of shares to be acquired	7,500,000 shares (maximum) (6.90% of the total number of issued shares (excluding treasury stock))
Total value of shares to be acquired	12 billion yen (maximum)
Acquisition period	From May 9, 2025 to October 31, 2025
Acquisition method	Purchase on the market

- Cancellation of treasury stock

Class and number of shares to be canceled	5,000,000 shares of common shares (4.35% of the total number of issued shares (including treasury stock))
Date of cancellation	May 30, 2025

Proposal 2: Election of nine (9) Directors

The terms of office of all Directors will expire at the conclusion of this meeting. Of these, Masaya Ikemoto will retire from office.

Accordingly, in order to increase diversity in the Board of Directors and further strengthen the Company's management structure, the proposal is for the election of nine Directors (including three Outside Directors).


The candidates for Directors are as follows:


To increase objectivity and transparency of nominations for Directors and Executive Officers, the Company established a Nomination Committee consisting of a majority of Independent Outside Directors. The aforementioned Nomination Committee is also reviewing the contents of this proposal.


No.	Name	Gender	Position in the Company	Attendance of Board of Directors meetings (fiscal year ended March 31, 2025)	Number of other listed companies where concurrent positions are held
1	Kenji Asakura [Reelection] [Inside Director]	Male	Representative Director, Chairman	17 out of 17 (100%)	1
2	Hiroyuki Ueshima [Reelection] [Inside Director]	Male	Representative Director, President and CEO	17 out of 17 (100%)	0
3	Masatoshi Kamada [Reelection] [Inside Director]	Male	Director, Managing Executive Officer	17 out of 17 (100%)	0
4	Tamotsu Isobe [Reelection] [Inside Director]	Male	Director, Executive Officer	13 out of 13 (100%)	0
5	Hiroshi Nagase [Reelection] [Inside Director]	Male	Director, Senior Advisor	17 out of 17 (100%)	0
6	Ritsuko Nonomiya [Reelection] [Outside Director] [Independent officer]	Female	Outside Director	17 out of 17 (100%)	1
7	Noriaki Horikiri [Reelection] [Outside Director] [Independent officer]	Male	Outside Director	17 out of 17 (100%)	1
8	Toshiaki Mikoshiba [Reelection] [Outside Director] [Independent officer]	Male	Outside Director	17 out of 17 (100%)	0
9	Yoshihisa Shimizu [New election] [Inside Director]	Male	Executive Officer	-	0


Notes:


1. The number of the Board of Directors meetings does not include resolutions made in writing. The number of Board of Directors meetings indicated with regard to attendance at meetings by Tamotsu Isobe are the number of meetings since he was elected as Director.
2. The number of other listed companies where concurrent positions are held refers to the number of listed companies other than the Company, where the candidate holds a directorial position.


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
1	<p>[Inside Director] [Reelection]</p>  <p>Kenji Asakura (December 11, 1955)</p> <p>Length of service: 12 years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Number of the Company's shares held: 33,843</p>	<p>April 1978 Joined the Company</p> <p>October 2006 General Manager of Automotive Solutions Dept.</p> <p>April 2009 Executive Officer and General Manager of Automotive Solutions Dept.</p> <p>June 2013 Director, Executive Officer</p> <p>April 2015 Representative Director, President and CEO</p> <p>April 2023 Representative Director, Chairman (present position)</p>
		[Significant concurrent positions outside the Company]
		Outside Director of Japan Tobacco Inc.
		<p>Reason for nomination as candidate for Director</p> <p>Kenji Asakura has worked mainly in the electronics & energy, mobility, and management planning fields since joining the Company and has a character suitable as a manager of the Company. In addition, he has served as President from 2015 to 2022. In light of his extensive experience in operations and his knowledge in overall management in the Company, Mr. Asakura is nominated as a candidate for Director.</p>


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
2	[Inside Director] [Reelection]  Hiroyuki Ueshima (November 5, 1965) Length of service: Three years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%) Number of the Company's shares held: 26,928	April 1988	Joined the Company
		April 2015	General Manager of Corporate Planning Div.
		April 2017	Executive Officer and General Manager of Corporate Planning Div.
		October 2017	Executive Officer and General Manager of Automotive Solutions Dept.
		June 2022	Director, Executive Officer
		April 2023	Representative Director, President and CEO (present position)
		[Significant concurrent positions outside the Company]	
		None	
		Reason for nomination as candidate for Director Hiroyuki Ueshima has worked mainly in the functional materials, electronics & energy, mobility, and management planning fields since joining the Company, and has a personality suitable for being a part of the Company's management team. He was appointed as Representative Director and President in April 2023. Since then, he has promoted improvement of the corporate value of the Company. He is considered the most qualified person who can show leadership towards executing the ACE 2.0 Medium-term Management Plan, and achieving sustainable growth of the Group and further improvement of the corporate value because he has extensive experience in operations and knowledge of overall management. Accordingly, Mr. Ueshima is nominated as a candidate for Director.	


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
3	<p>[Inside Director] [Reelection]</p>  <p>Masatoshi Kamada (August 6, 1961)</p> <p>Length of service: Four years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Number of the Company's shares held: 20,377</p>	April 1985	Joined the Company
		April 2011	General Manager of Electronic Materials Dept.
		April 2013	Executive Officer and General Manager of Electronic Materials Dept.
		June 2021	Director, Executive Officer
		April 2024	Director, Managing Executive Officer, in charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea) (present position)
		[Significant concurrent positions outside the Company]	
		None	
		<p>Reason for nomination as candidate for Director</p> <p>Masatoshi Kamada has worked in the advanced materials & processing, electronics & energy, and overseas business fields since joining the Company, possesses superb knowledge of and experience in these fields, and has a personality suitable for being a part of the Company's management team. In light of his management skills gained through various experience, including as a China area manager, Mr. Kamada is nominated as a candidate for Director.</p>	


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
4	[Inside Director] [Reelection]  Tamotsu Isobe (April 2, 1967) Length of service: One year (as of conclusion of this meeting) Attendance of Board of Directors meetings: 13 out of 13 Board of Directors meetings (100%) Number of the Company's shares held: 8,107	April 1992	Joined the Company
		April 2017	General Manager of Performance Chemicals Dept.
		April 2023	Executive Officer and General Manager of Performance Chemicals Dept.
		June 2024	Director, Executive Officer
		April 2025	Director, Executive Officer, in charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept. (present position)
		[Significant concurrent positions outside the Company]	
		None	
		Reason for nomination as candidate for Director Tamotsu Isobe has worked in the functional materials, electronics & energy, and overseas business fields since joining the Company, possesses superb knowledge of and experience in these fields, and has a personality suitable for being a part of the Company's management team. In light of his management skills gained through various experience, including as a general manager of business department, Mr. Isobe is nominated as a candidate for Director.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
5	[Inside Director] [Reelection]  Hiroshi Nagase (July 18, 1949) Length of service: 36 years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%) Number of the Company's shares held: 2,060,832	April 1977	Joined the Company
		April 1988	General Manager of Plastics Dept. 2
		June 1989	Director
		June 1995	Managing Director
		June 1997	Representative Director, Senior Managing Director
		June 1999	Representative Director and President
		June 2001	Representative Director and President and CEO
		April 2015	Representative Director and Chairman
		April 2023	Director, Senior Advisor (present position)
		[Significant concurrent positions outside the Company]	
		None	
		Reason for nomination as candidate for Director Hiroshi Nagase has worked mainly in the advanced materials & processing, electronics & energy, and management planning fields since joining the Company and has the character suitable for being a part of the Company's management team. In addition, he has served as President and Chairman from 1999 to 2022. In light of his extensive experience in operations and his knowledge of overall management in the Company, Mr. Nagase is nominated as a candidate for Director.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company																				
6	<div><div>[Outside Director] [Reelection] [Independent officer]</div><div></div><div>Ritsuko Nonomiya (November 28, 1961)</div><div>Length of service: Five years (as of conclusion of this meeting)</div><div>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</div><div>Number of the Company’s shares held: 2,792</div></div>	<div>September 1987 Joined Peat, Marwick, Mitchell & Company (currently KPMG LLP)</div> <div>April 1997 Partner of KPMG Corporate Finance K.K.</div> <div>November 2000 Joined UBS Warburg Japan (currently UBS Securities Japan Co., Ltd.)</div> <div>January 2005 M&A Advisor, Managing Director of UBS Warburg Japan</div> <div>July 2008 Senior Vice President and Business Development Leader of GE Capital Asia Pacific Ltd.</div> <div>April 2013 Senior Executive Officer and Business Development Leader of GE Capital Japan, GE Japan Inc. (currently GE Japan Inc.)</div> <div>December 2013 Managing Director of GCA Savvian Corporation (currently GCA Corporation)</div> <div>March 2017 Director of GCA Corporation</div> <div>June 2020 Director of the Company (present position)</div> <div>February 2022 Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. (present position)</div> <div>March 2024 Executive Officer of GCA Corporation (present position)</div>																				
		<div>[Significant concurrent positions outside the Company]</div> <div>Representative Director and CEO, Houlihan Lokey Japan Co., Ltd.</div> <div>External Director, Shiseido Company, Limited</div>																				
		<div>Reason for nomination as candidate for outside Director, and outline of expected roles</div> <div>Ritsuko Nonomiya has accumulated business experience, including auditing, in the KPMG Group and has engaged in M&A and business development in the UBS Group and the GE Group. Thus, she has advanced knowledge mainly in the fields of finance and accounting. Also, she has experience of global management in Houlihan Lokey Group, and possesses sufficient knowledge and experience regarding corporate management. She will use this knowledge and experience to make proposals concerning the Company’s overall management and is expected to enhance the corporate governance of the Group, whose overseas business operations are expanding. Accordingly, we request that Ms. Nonomiya be elected as outside Director. If the proposal is passed, she is expected to participate in the deliberations of the Company’s Board of Directors, Compensation Committee, Nomination Committee, etc. from an objective and neutral standpoint.</div>																				
	<div>Special notes concerning candidate for outside Director</div> <div>The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</div>																					
		<table><tr><th>Company name</th><th>Position</th><th>Transactions</th><th>Seller</th><th>Purchaser</th><th>Ratio of transaction amount</th><th>Compared with</th></tr><tr><td>Houlihan Lokey Japan Co., Ltd.</td><td>Representative Director and CEO</td><td>Outsourcing</td><td>Houlihan Lokey Japan Co., Ltd.</td><td>The Company</td><td>Below 0.1%</td><td>Sum of cost of sales and selling, general and administrative expenses of the Company</td></tr><tr><td>Shiseido Company, Limited</td><td>External Director</td><td>Sale of goods</td><td>The Company</td><td>Shiseido Company, Limited</td><td>Below 0.4%</td><td>Net sales of the Company</td></tr></table>	Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with	Houlihan Lokey Japan Co., Ltd.	Representative Director and CEO	Outsourcing	Houlihan Lokey Japan Co., Ltd.	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company	Shiseido Company, Limited	External Director	Sale of goods	The Company	Shiseido Company, Limited	Below 0.4%
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with																
Houlihan Lokey Japan Co., Ltd.	Representative Director and CEO	Outsourcing	Houlihan Lokey Japan Co., Ltd.	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company																
Shiseido Company, Limited	External Director	Sale of goods	The Company	Shiseido Company, Limited	Below 0.4%	Net sales of the Company																

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company					
7	<div><div>[Outside Director] [Reelection] [Independent officer]</div><div></div><div>Noriaki Horikiri (September 2, 1951)</div><div>Length of service: Three years (as of conclusion of this meeting)</div><div>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</div><div>Number of the Company’s shares held: 2,615</div></div>	April 1974	Joined Kikkoman Shoyu Co., Ltd. (currently Kikkoman Corporation)				
		June 2003	Corporate Officer				
		June 2006	Executive Corporate Officer				
		June 2008	Director and Executive Corporate Officer				
		June 2011	Representative Director and Senior Executive Corporate Officer				
		June 2013	Representative Director, President and Chief Executive Officer				
		June 2021	Representative Director, Chairman and Chief Executive Officer				
		June 2022	Director of the Company (present position)				
		June 2023	Representative Director and Chairman of Kikkoman Corporation (present position)				
		[Significant concurrent positions outside the Company] Representative Director and Chairman, Kikkoman Corporation					
Reason for nomination as candidate for outside Director, and outline of expected roles Noriaki Horikiri has been involved in management of Kikkoman Corporation for many years and possesses advanced knowledge and extensive experience regarding corporate management. He will use this knowledge and experience to make proposals concerning the Company’s overall management including overseas development and manufacturing activities, and is expected to enhance the Group’s corporate governance. Accordingly, we request that Mr. Horikiri be elected as outside Director. If the proposal is passed, he is expected to participate in the deliberations of the Company’s Board of Directors, Compensation Committee, Nomination Committee, etc. from an objective and neutral standpoint.							
Special notes concerning candidate for outside Director The Company has the following business relationships with the entity at which the candidate holds a concurrent position.							
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with	
Kikkoman Corporation	Representative Director and Chairman	Sale of goods	Kikkoman Corporation	The Company	Below 0.1%	Cost of sales of the Company	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company					
8	<div>[Outside Director] [Reelection] [Independent officer]</div> <div></div> <div>Toshiaki Mikoshiba (November 15, 1957)</div> <div>Length of service: Two years (as of conclusion of this meeting)</div> <div>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</div> <div>Number of the Company’s shares held: 730</div>	April 1980	Joined Honda Motor Co., Ltd.				
		April 2008	Executive Officer and Director/Vice President of Honda Motor Europe Limited				
		April 2011	President, Guangqi Honda Automobile Co., Ltd.				
		April 2014	Managing Officer, Chief Officer for Regional Operations (Europe Region), Honda Motor Co., Ltd., and President and Director, Honda Motor Europe Limited				
		April 2015	Senior Managing Officer, Honda Motor Co., Ltd.				
		April 2016	Chief Officer for Regional Operations (North America), Honda Motor Co., Ltd., and President and CEO, Honda North America, Inc.				
		June 2017	Senior Managing Director, Honda Motor Co., Ltd.				
		April 2019	Chairman, Honda Motor Co., Ltd.				
		June 2023	Director of the Company (present position)				
		[Significant concurrent positions outside the Company]					
		None					
		Reason for nomination as candidate for outside Director, and outline of expected roles Toshiaki Mikoshiba has been involved in management of Honda Motor Co., Ltd. for many years and possesses advanced knowledge and extensive experience regarding corporate management. He will use this knowledge and experience to make proposals concerning the Company’s overall management including overseas development and sales domain, and is expected to enhance the Group’s corporate governance. Accordingly, we request that Mr. Mikoshiba be elected as outside Director. If the proposal is passed, he is expected to participate in the deliberations of the Company’s Board of Directors, Compensation Committee, Nomination Committee, etc. from an objective and neutral standpoint.					
Special notes concerning candidate for outside Director Toshiaki Mikoshiba is former Chairman of Honda Motor Co., Ltd., and the Company has the following business relationships with the entity.							
	Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
	Honda Motor Co., Ltd.	Former Chairman	Sale of goods	The Company	Honda Motor Co., Ltd.	Below 0.1%	Net sales of the Company

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
9	[Inside Director] [New election]  Yoshihisa Shimizu (September 14, 1964) Number of the Company's shares held: 5,007	April 1987 Joined the Company April 2012 In charge of Information Technology Div. April 2014 General Manager of Information Technology Div. April 2017 General Manager of Information Technology Div., and General Manager of Logistics Management Div. April 2019 General Manager of Information Technology Div., and President of Nagase Information Development, LTD. October 2019 In charge of ICT Planning Office, Corporate Planning Dept., and President of Nagase Information Development, LTD. April 2020 Executive Officer and General Manager of Finance & Accounting Div. April 2021 Executive Officer and General Manager of Corporate Management Dept. April 2024 Executive Officer, General Manager of Risk Management Div., and General Manager of ICT Planning Div. April 2025 Executive Officer, deputy in charge of Corporate Administration (present position)
		[Significant concurrent positions outside the Company]
		None
		Reason for nomination as candidate for Director
		Yoshihisa Shimizu has worked in the finance and accounting, information technology, and risk management fields since joining the Company, possesses superb knowledge of and experience in these fields in Japan and overseas, and has a personality suitable for being a part of the Company's management team. In light of his management skills gained through various experience, including as a general manager of Corporate Management Dept., Risk Management Div., and ICT Planning Div., Mr. Shimizu is nominated as a candidate for Director.

Notes:

1. Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba are candidates for outside Director, and are independent officers pursuant to the regulations of financial instruments exchanges.
2. There are no special interests between the candidates and the Company.
3. Agreement limiting liability

Pursuant to the Articles of Incorporation, the Company has entered into an agreement with outside Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba, limiting liability to the Company for damage to a certain degree. If this proposal is approved, the Company plans to renew the agreement under the same terms. A summary of the agreements is as follows:

If the Company incurs damage as a result of the failure of the outside Director to perform his or her duties, as long as the outside Director performed his or her duties in good faith and without gross negligence, the liability for damage that the outside Director shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.

4. Directors and officers liability insurance contract

The Company's Directors are covered by directors and officers liability insurance. Under this insurance policy, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. If each candidate is elected as a Director and assumes the office, they will be the insured persons under this insurance policy. Covered insurance events are third-party lawsuits, shareholder representative lawsuits, corporate lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are

required to individually pay for a certain portion of the damage incurred so that the appropriateness of their duties is not compromised. When renewing this insurance, the Company will choose similar policy provisions.

5. The number of Board of Directors meetings does not include resolutions made in writing. The numbers of Board of Directors meetings indicated with regard to attendance at meetings by Tamotsu Isobe are the number of meetings since he was elected as Director.
6. Shares of the Company held by each candidate include shares nominally held by NAGASE & CO., LTD. Officer's Shareholding Association and NAGASE & CO., LTD. Own Share Investment Association.

[Reference]

Matters relating to cross-shareholdings

(1) Policy regarding cross-shareholdings

The Company may hold securities as cross-shareholdings where it is considered necessary, when taking into consideration the maintenance and strengthening of trading relationships as well as its business strategies, among other things, in order to achieve sustainable improvement of corporate value of the Group.

With regards to the reasonableness of such holdings, relevant departments scrutinize whether the prospect of business expansion and synergies can be expected, or services essential to the corporate activities of the Group can be secured stably based on the income from related transactions and earning status and from dividends received. The results are confirmed by the Board of Directors each year. Where it is not found reasonable to hold securities, the Company has been working to sell securities in phases to reduce the holdings, while taking into considerable various factors.

(2) Reduction policy under the Medium-term Management Plan

Under our Medium-term Management Plan **ACE 2.0** (from fiscal 2021 to fiscal 2025), the Company intends to further reduce cross-shareholdings with the aim of improving capital efficiency and enhancing governance. We have set the target of reducing 30 billion yen during the period of **ACE 2.0**.

(3) Status of cross-shareholdings

		107th term Fiscal 2021	108th term Fiscal 2022	109th term Fiscal 2023	110th term Fiscal 2024
Number of securities (securities)	Listed	85	78	67	67
	Non-listed	52	54	53	60
	Total	137	132	120	127
Total amount on the balance sheet (million yen)	Listed	59,371	54,740	59,736	54,361
	Non-listed	3,863	2,194	2,024	2,244
	Total	63,235	56,935	61,761	56,606
Net assets (million yen)		355,092	378,388	401,315	406,460
Ratio of listed stock to net assets		16.7%	14.5%	14.9%	13.4%
Ratio to net assets		17.8%	15.0%	15.4%	13.9%

During fiscal 2024, the Company worked on reduction in accordance with the policy described in (2) above to sell two securities worth 3.2 billion yen.^(Note 1) The securities newly acquired as cross-shareholdings are seven non-listed securities worth 307 million yen.


The Company does not hold any shares that fall under the category of deemed shareholdings.

Note 1: Including securities some of whose shares held have been sold.

Proposal 3: Election of one (1) Audit & Supervisory Board Member

The term of office of Masanori Furukawa, the Audit & Supervisory Board Member, will expire at the conclusion of this meeting. Accordingly, the proposal is for the election of one Audit & Supervisory Board Member. The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company
<p>[Inside Audit & Supervisory Board Member] [New election]</p>  <p>Takanori Yamauchi (September 18, 1961)</p> <p>Number of the Company's shares held: 18,094</p>	<p>April 1984 Joined the Company</p> <p>April 2008 In charge of Corporate Management Office</p> <p>April 2013 Executive Officer, General Manager of Corporate Planning Office, and General Manager of Information Technology Div.</p> <p>April 2014 Executive Officer and General Manager of Human Resources & General Affairs Div.</p> <p>April 2015 Executive Officer, General Manager of Human Resources & General Affairs Div., and General Manager of Logistics Management Div.</p> <p>June 2017 Director, Executive Officer, President of NAGASE GENERAL SERVICE COMPANY, LTD. (currently, Nagase Business Expert Co., Ltd.), General Manager of Human Resources & General Affairs Div., General Manager of BPR& Administration Div., and in charge of Administration</p> <p>June 2018 Director, Executive Officer, President of Nagase Business Expert Co., Ltd., General Manager of BPR& Administration Div., General Manager of Legal Affairs Div., in charge of Information Technology Div., and in charge of Human Resources & General Affairs Div.</p> <p>June 2019 Managing Executive Officer and President of Nagase Business Expert Co., Ltd.</p>
	<p>[Significant concurrent positions outside the Company]</p> <p>None</p>
	<p>Reason for nomination as candidate for Audit & Supervisory Board Member</p> <p>Takanori Yamauchi has worked in finance and accounting and human resources and general affairs fields since joining the Company, and possesses superb knowledge of and experience in these fields. In addition, he has extensive experience in operations and management that he has cultivated as President of Nagase Business Expert Co., Ltd. Consequently, we determined that he will properly perform his duties as Audit & Supervisory Board Member, and we request his election.</p>

Notes:

- There are no special interests between Takanori Yamauchi and the Company.
- Shares of the Company held by Takanori Yamauchi include shares nominally held by NAGASE & CO., LTD. Own Share Investment Association.
- Directors and officers liability insurance contract
The Company's Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. If the candidate is elected as an Audit & Supervisory Board Member and assumes the office, he will be the insured person under this insurance policy. Covered insurance events are third-party lawsuits, shareholder lawsuits, corporate lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained. When renewing this insurance, the Company will choose similar policy provisions.

[Reference]

Roles of Directors and Audit & Supervisory Board Members upon the approval of Proposals 2 and 3

Roles particularly expected of Directors and Audit & Supervisory Board Members are as below.

These have been decided by a resolution of the Board of Directors after having proposed such for consideration at a meeting of the Nomination Committee.

Position Name	Corporate management	Global business	Marketing/Sales	R&D	Production/Quality	Finance and accounting	Legal affairs/Risk management	Human resource management	Sustainability	DX
Representative Director and Chairman Kenji Asakura	✓	✓	✓					✓	✓	
Representative Director and President Hiroyuki Ueshima	✓	✓	✓	✓	✓		✓	✓	✓	
Director Masatoshi Kamada	✓	✓	✓				✓	✓	✓	✓
Director Tamotsu Isobe	✓	✓	✓	✓	✓			✓	✓	✓
Director Yoshihisa Shimizu	✓					✓	✓	✓	✓	✓
Director, Senior Advisor Hiroshi Nagase	✓							✓	✓	
Outside Director Ritsuko Nonomiya	✓	✓				✓	✓	✓	✓	
Outside Director Noriaki Horikiri	✓	✓		✓	✓		✓	✓	✓	
Outside Director Toshiaki Mikoshiba	✓	✓	✓		✓		✓	✓	✓	
Outside Audit & Supervisory Board Member Masaya Ishida						✓	✓			
Audit & Supervisory Board Member Akira Takami						✓	✓			
Audit & Supervisory Board Member Takanori Yamauchi						✓	✓			
Outside Audit & Supervisory Board Member Gan Matsui						✓	✓	✓		

Proposal 4: Election of one (1) substitute Audit & Supervisory Board Member

The Company proposes to elect one substitute Audit & Supervisory Board Member to prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations. The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company					
[Outside Audit & Supervisory Board Member] [Reelection] [Independent officer] Takao Muramatsu (October 1, 1953) Number of the Company’s shares held: 0	April 1979	Joined Tokyo Regional Taxation Bureau				
	April 1988	Primary Investigator, Special Investigative Squad, Tokyo District Public Prosecutors Office				
	July 1991	Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency				
	July 1998	Senior Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency				
	July 2003	District Director, Shibuya Tax Office				
	July 2005	Chief Investigator, Criminal Investigation Department, Tokyo Regional Taxation Bureau				
	July 2009	Chief Internal Inspector, Osaka Regional Taxation Bureau				
	July 2010	Chief Internal Inspector, National Tax Agency				
	July 2012	Assistant Regional Commissioner (Planning and Administration), Nagoya Regional Taxation Bureau				
	June 2013	Regional Commissioner, Takamatsu Regional Taxation Bureau				
	October 2014	Registered as certified tax accountant President, Muramatsu Tax Accountant Office (present position)				
	[Significant concurrent positions outside the Company]					
	Outside Director and Audit & Supervisory Committee Member, BESTERRA CO., LTD.					
	Outside Director and Audit and Supervisory Committee Member, SERENDIP HOLDINGS CO., LTD.					
	Outside Director and Audit and Supervisory Committee Member, GLOBERIDE, Inc.					
President, Muramatsu Tax Accountant Office						
Reason for nomination as candidate for substitute outside Audit & Supervisory Board Member Takao Muramatsu does not have direct managerial experience, but he has held a number of important posts in Regional Taxation Bureaus. Based on his high degree of specialization relating to taxes and corporate accounting and experience as Audit & Supervisory Board Member of other companies, we have determined that he will properly perform his duties as outside Audit & Supervisory Board Member, and we request his election.						
Special notes concerning candidate for substitute outside Audit & Supervisory Board Member The Company has the following business relationships with the entity at which the candidate holds a concurrent position.						
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
SERENDIP HOLDINGS CO., LTD.	Outside Director and Audit and Supervisory Committee Member	Sale of goods	The Company	SERENDIP HOLDINGS CO., LTD.	Below 0.1%	Net sales of the Company
GLOBERIDE, Inc.	Outside Director and Audit and Supervisory Committee Member	Sale of goods	The Company	GLOBERIDE, Inc.	Below 0.1%	Net sales of the Company

Notes:

1. There are no special interests between Takao Muramatsu and the Company.
2. Takao Muramatsu is a candidate for substitute outside Audit & Supervisory Board Member, and if he is elected as outside Audit & Supervisory Board Member, the Company plans to file notice as an independent officer pursuant to the regulations of financial instruments exchanges.

3. Agreement limiting liability

If the candidate is elected as substitute outside Audit & Supervisory Board Member and assumes the office of outside Audit & Supervisory Board Member, the Company plans to enter into an agreement pursuant to the Articles of Incorporation limiting liability to the Company for damage to a certain degree. A summary of the agreement is as follows:

If the Company incurs damage as a result of the failure of the outside Audit & Supervisory Board Member to perform his duties, as long as the outside Audit & Supervisory Board Member performed his duties in good faith and without gross negligence, the liability for damage that the outside Audit & Supervisory Board Member shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.

4. Directors and officers liability insurance contract

The Company's Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. If the candidate is elected as Audit & Supervisory Board Member and assumes the office, he will be the insured person under this insurance policy. Covered insurance events are third-party lawsuits, shareholder lawsuits, corporate lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained. When renewing this insurance, the Company will choose similar policy provisions.

Proposal 5: Revision of the Performance-Linked Share-Based Remuneration System for Directors

1. Reasons for the Proposal and the rationale why the relevant compensation system is deemed reasonable

The compensation of Directors consists of “fixed compensation (monetary component),” “performance-linked compensation (monetary),” and “performance-linked compensation (non-monetary).” Of these, “performance-linked compensation (non-monetary)” was introduced as a stock-based compensation system (hereinafter, the “System”) using a trust upon approval (this resolution of approval is hereinafter referred to as the “Previous Resolution”) of shareholders at the 107th Annual Shareholders’ Meeting held on June 20, 2022 and has been in operation to the present day. However, the Company seeks approval for this Proposal to change the content of the System.

It is requested that a decision on the details be delegated to the Board of Directors within the limits set below.

The Company introduced the System with the aim of enhancing awareness of contributions to improved medium- and long-term business performance and increased corporate value, by more clearly linking the Directors’ remuneration with the Company’s business performance and share value, while having the Directors share the benefits and risks of share price fluctuations with shareholders, and has operated the System since then. Specifically, under the Previous Resolution, common shares of the company (“Company Shares”) are to be delivered at the time of retirement as remuneration under the System. In contrast, if the Proposal is approved as proposed,] delivery under the revised System is to be made while the Directors are still in office (as described in 2 below, each time points are granted by the Company) and, by imposing transfer restrictions on said Company Shares for three years or until retirement, this will provide an incentive to continuously improve corporate value even after the delivery of shares.

The compensation for the System will be separate from the upper limit for Directors, including Outside Directors, approval for which is being sought in Proposal 6 “Revision of Maximum Compensation Amount for Directors” (up to 800 million yen per year (80 million yen per year for outside Directors); however, this does not include employee salaries).

The Company’s policy regarding the determination of the details of compensation for individual Directors is as stated in Business Report 3. Matters relating to officers (4) Compensation to Directors and Audit & Supervisory Board Members for the fiscal year d), but the Board of Directors resolved at the meeting held on May 8, 2025 to amend the policy as stated in [Reference] at the end of Proposal No. 6, subject to the approval of this Proposal. The Company has determined that the content of this Proposal is appropriate, as it is necessary and reasonable for achieving the revised policy and the purpose of introducing the stock-based compensation system.

If Proposal No. 2, “Election of nine (9) Directors,” is approved as proposed, the number of Directors (excluding Outside Directors and Directors, Senior Advisors; the same applies hereinafter) who are eligible for the System will be five (5).

* If this Proposal is approved as proposed, the Company also plans to make similar revision to the performance-linked stock-based remuneration system introduced for executive officers who have entered into a delegation agreement with the Company (the “Executive Officers”).

2. Amount and Details, etc., of Compensation, etc., under the System

The amount and details of compensation under the system after the changes are as follows.

(1) Overview of the System

The System is a stock-based compensation system where a trust established by the Company’s contributing monies (already established at the time the system was introduced in 2022; the “Trust” hereinafter) acquires the Company Shares and the number of the Company Shares corresponding to the points granted to each Director by the Company will be delivered to each Director through the Trust.

There are two types of points granted under the System: (i) “fixed points” and (ii) “performance-linked points.”

(i) Fixed Points

Fixed points are points granted for the Director’s execution of duties in each fiscal year (the “Fixed Points Period”) from April 1, 2025 onward, in accordance with their position, etc. in that period, and will be granted, in principle, on the day of the Company’s annual general meeting of shareholders (the “Fixed Points Grant Date”) held after the end of each Fixed Points Period. If the Proposal is approved at the General Meeting, the Company Shares to be delivered to the Directors pursuant to (3)(ii) below corresponding to the fixed points granted pursuant to (3)(i) below on or after the conclusion of the General Meeting shall be delivered within a period on or after the Fixed Points Grant Date (in principle, within the same fiscal year as that of the Fixed Points Grant Date), and transfer restrictions shall be imposed by entry in the transfer restriction agreement between the Company and each Director with respect to said shares as outlined in 3. below.

(ii) Performance-linked Points

Performance-linked points are points granted for the Director’s execution of duties in each period of three consecutive fiscal years (the “Performance-linked Points Period.” Note 1) from April 1, 2025 onward, in accordance with their position, tenure, and achievement of performance targets, etc. in that period, and will be granted, in principle, on the day of the Company’s annual general meeting of shareholders (the “Performance-Linked Points Grant Date”) held after the end of each Performance-linked Points Period. If the Proposal is approved at the General Meeting, the Company Shares to be delivered to the Directors pursuant to (3)(ii) below corresponding to the performance-linked points granted pursuant to (3)(i) below on or after the conclusion of the General Meeting shall be delivered within a period on or after the Performance-Linked Points Grant Date (in principle, within the same fiscal year as that of the Performance-Linked Points Grant Date), and the shares delivered shall be subject to a three-year transfer restriction (however, if the Director resigns before that period ends, the transfer restriction will be lifted when the Director resigns).

Note 1: However, the first Performance-linked Points Period shall be the fiscal year from April 1, 2025 to the final day of March 2026, not three fiscal years.

The second Performance-linked Points Period shall be three fiscal years from April 1, 2026 to the final day of March 2029, the third Performance-linked Points Period shall be three fiscal years from April 1, 2027 to the final day of March 2030, and the same shall apply thereafter.

1) Persons eligible for the System	Directors (excluding Outside Directors and Director, Senior Advisors) of the Company
2) Eligible Period	<ul style="list-style-type: none"> (i) Fixed Points Period: each fiscal year from April 1, 2025 onward (ii) Performance-linked Points Period: each period of three consecutive fiscal years from April 1, 2025 onward (Note 1)
3) Upper limit on money that may be contributed by the Company as funds for the acquisition of Company Shares as necessary for delivery to the eligible persons in 1)	<ul style="list-style-type: none"> (i) For the acquisition of Company Shares corresponding to the fixed points granted for execution of duties in a single Fixed Points Period: 80 million yen (Note 2) (ii) For the acquisition of Company Shares corresponding to the performance-linked points granted for execution of duties in a single Performance-linked Points Period: 120 million yen (Note 2)
4) Method of acquiring the Company Shares	Through the disposal of treasury stock or through exchange markets (including off-auction transactions)
5) Upper limit on total number of points that may be granted to the eligible persons in 1)	<ul style="list-style-type: none"> (i) Upper limit on total number of fixed points that may be granted for the execution of duties in a single Fixed Points Period: 46,000 points (ii) Upper limit on total number of performance-linked points that may be granted for the execution of duties in a single Performance-linked Points Period: 69,000 points
6) Criteria for granting points	<ul style="list-style-type: none"> (i) Fixed points: Points are granted in accordance with position, etc. (ii) Performance-linked points: Points are granted in accordance with position and degree of achievement of performance targets, etc.
7) Timing of delivery of Company Shares to the eligible persons in 1)	<ul style="list-style-type: none"> (i) Within a period on or after each Fixed Points Grant Date (in principle, in the same fiscal year as that of the Fixed Points Grant Date) (ii) Within a period on or after each Performance-linked Points Grant Date (in principle, in the same fiscal year as that of the Performance-linked Points Grant Date)
8) Transfer restrictions on Company Shares to be delivered	<ul style="list-style-type: none"> (i) Yes (in principle, from the day on which Company Shares are delivered to the day on which the Director retires (ceases to hold either the position of Director or Executive Officer; the same applies hereinafter)) (ii) Yes (a three-year period; however, if the Director has retired, the transfer restrictions will be lifted.)

Note 2: Based on the Previous Resolution, the Company has already contributed (entrusted to the Trust) up to 280 million yen as funds for the acquisition of the Company Shares to be delivered to Directors in office during the four fiscal years from April 1, 2022 to the final day of March 2026, based on the System prior to its revision by the Proposal. Based on this, the total of the following amounts shall not exceed 200 million yen.

- Amount of money to be contributed by the Company as funds for the acquisition of Company Shares corresponding to the fixed points granted for the execution of duties in the first Fixed Points Period.
- Amount of money to be contributed by the Company as funds for the acquisition of Company Shares corresponding to the performance-linked points granted for the execution of duties in the first Performance-linked Points Period.
- Amount already contributed as funds for the acquisition of Company Shares corresponding to the points granted based on the System prior to its revision, for the execution of duties in the fiscal year from April 1, 2025 to the final day of March 2026.

(2) Maximum amount of monies contributed by the Company

The Company will extend the trust period for the Trust (which has already been established) and will contribute to the Trust (additional contribution to the Trust) an amount within the upper limit set forth in (1) above as funds for the additional acquisition of the Company Shares necessary to be issued to Directors under the System.

The Trust will, using the monies within the Trust (which includes not only the additional funds entrusted by the Company, but also the funds remaining in the Trust prior to the additional entrustment) as the source of funds, additionally acquire the Company Shares by means of disposal of the Company's treasury shares or by means of acquisition from the stock market (including off-auction trading) (Note 3).

Note 3: The actual amount of money that the Company will entrust to the Trust will be the total of the above-mentioned acquisition funds for the Company Shares plus the estimated amount of necessary expenses such as trust fees and trust administrator fees. Additionally, the Company may also entrust funds necessary for acquiring the Company Shares to be delivered to the Company's Executive Officers under a similar share-based remuneration system.

(3) Method of calculation and upper limit on the number of Company Shares to be delivered to Directors

(i) Method of granting points to the Directors

The Company will grant each Director (i) fixed points and (ii) performance-linked points as described in (1) above, on the Fixed Points Grant Date and Performance-linked Points Grant Date specified in the share delivery rules during the trust period, based on the share delivery rules established by the Board of Directors (Note 4).

Note 4: Regarding performance-linked points, the number of points to be granted will be determined by multiplying a number that will be set according to the Director's position, etc. by a performance-linked coefficient that will vary according to the actual values of performance-linked indicators. The performance-linked indicators and the range of the performance-linked coefficient will be decided by the Company's Board of Directors; however, for the first Performance-linked Points Period, the performance-linked indicators are planned to be "ROE," "Sustainability-related indicators," etc., and the range of the performance-linked coefficient is planned to be from 50% to 150%.

However, the total number of points to be granted to Directors by the Company will have an upper limit of (i) 46,000 points as fixed points granted for a single Fixed Points Period, and (ii) 69,000 points as performance-linked points granted for a single Performance-linked Points Period, respectively.

Even if the Proposal is approved as proposed, the Company may grant points to Directors within the scope of the Previous Resolution based on the System prior to its revision by the Proposal, as remuneration for duties executed in the period prior to the conclusion of the General Meeting.

(ii) Delivery of Company Shares corresponding to the number of points granted

Directors will receive delivery of Company Shares corresponding to the number of points granted under item (i) above, in accordance with the procedure set forth in item (iii) below. However, if a Director resigns for personal reasons, etc., any points granted up to then will be extinguished, in whole or in part, and Company Shares corresponding to the points extinguished will not be delivered.

One point will correspond to one Company Share. However, if circumstances arise with respect to the Company Shares in which it may be reasonable to adjust the number of Company Shares per point, such as stock split or reverse stock split, etc. then the number of Company Shares per point will be adjusted according to the split ratio, reverse stock split ratio, etc.

(iii) Delivery of Company Shares to the Directors

After the end of each Fixed Points Period and each Performance-linked Points Period, each Director will, each time points are granted, in principle, conduct prescribed procedures to acquire beneficial rights in the Trust and, as a beneficiary of the Trust, receive delivery of Company Shares corresponding to each point granted (Note 5).

Note 5: However, in cases where a Director retires during a Fixed Points Period or Performance-linked Points Period, or in other prescribed cases, fixed points or performance-linked points may be granted before the end of the relevant period, and the corresponding Company Shares may be delivered from the Trust to that Director.

However, with respect to a certain portion of the Company Shares to be delivered as performance-linked points, the Trust may sell and convert them to cash for the purpose of the Company making deductions at source for tax payments, such as withholding income tax, etc., and, in such cases, delivery may be made in cash instead of Company Shares.

With respect to Company Shares corresponding to points granted as remuneration for the execution of duties during the period prior to and including the date of the General Meeting based on the System prior to its revision by the Proposal, in accordance with the Previous Resolution, each Director shall, in principle, conduct the prescribed procedures at the time of retirement to acquire beneficial rights in the Trust and receive delivery from the Trust.

Furthermore, if the Company Shares held in the Trust are converted into cash, such as in the case of a tender offer where there is settlement of Company Shares held in the Trust, delivery may be made in cash (said conversion amount) instead of Company Shares.

(4) Exercise of voting rights

Based on the instructions of the trust administrator, who will be independent of the Company and its officers, none of the voting rights of the Company Shares held in the Trust may be exercised. The purpose of this is to ensure the neutrality of the Trust from the Company's management regarding the exercise of voting rights in the Company Shares held in the Trust.

(5) Handling of dividends

Dividends on the Company Shares held in the Trust will be received by the Trust, and will be applied to the acquisition price of Company Shares, as well as trust fees payable to the trustee in connection with the Trust, etc.

3. Transfer Restriction Agreement regarding Company Shares to be delivered to Directors corresponding to Fixed Points

If the Proposal is approved as proposed, a transfer restriction agreement (the "Transfer Restriction Agreement") including the following content will be entered into between the Company and the Director regarding Company Shares to be delivered corresponding to fixed points granted in accordance with 2.(3)(i)

above after approval (each Director shall receive delivery of Company Shares on the condition that they enter into this Transfer Restriction Agreement).

However, Company Shares (common shares) to be delivered after the date of retirement (if any) shall not be subject to transfer restrictions. Also, with respect to a certain portion of the Company Shares, the Trust may sell and convert them to cash for the purpose of the Company making deductions at source for tax payments, such as withholding income tax, etc., and, in such cases, delivery may be made in cash instead of Company Shares.

(1) Transfer Restriction Period

Directors may not transfer, create security interests in, or otherwise dispose of the shares (the “Granted Shares” hereinafter) in exchange for fixed points under the System from the date of issuance (or the date of each issuance if the shares are issued multiple times) until the date of retirement (the “Transfer Restriction Period” hereinafter).

During the Transfer Restriction Period, Directors shall manage the Granted Shares in an account at a securities company designated by the Company, for the purpose of managing them separately from the shares they already hold.

(2) Free Acquisition of the Granted Shares

- (i) If a Director attempts to transfer, pledge, or otherwise dispose of all or part of the Granted Shares in violation of (1) above, the Company will automatically acquire all of the Granted Shares free of charge.
- (ii) If a Director falls under any of the following items during the Transfer Restriction Period, the Company will automatically acquire all of the Granted Shares free of charge from the time the Director falls under the relevant item.
 - (a) When a Director is subject to a prescribed criminal penalty
 - (b) When a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or other similar proceedings is filed against a Director
 - (c) When a Director resigns due to the expiration of the term of office, retirement age, death, or reasons other than a legitimate reason
- (iii) If a Director falls under any of the following items during the Transfer Restriction Period, the Company will notify the Director in writing of its intention to acquire the Granted Shares free of charge, and will automatically acquire all of the Granted Shares free of charge at the time such notice is received.
 - (a) If the Company’s Board of Directors determines that a Director is engaged in business that competes with the Company or the Group’s business, or has assumed the position of an officer or employee of a competing corporation or other organization (unless the Company’s prior written consent has been obtained).
 - (b) If the Board of Directors of the Company determines that a Director has violated laws and regulations, the internal regulations of the Company or the Group, or this Agreement in a material respect, or if the Board of Directors of the Company otherwise determines that it is appropriate for the Company to acquire the Granted Shares free of charge.
 - (c) If the Board of Directors of the Company determines that the Director’s conduct has damaged the reputation of the Company or the Group or caused significant damage to the Company or the Group.

(3) Treatment in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, any of the matters set forth in the following items are approved at the Company's General Meeting of Shareholders (or, in cases where approval at the Annual Shareholders' Meeting is not required, then at the Company's Board of Directors meeting) (provided, however, that this applies only if the date set forth in the following items (the "Effective Date of Organizational Restructuring" hereinafter) arrives before the expiration of the Transfer Restriction Period), notwithstanding (1) above, the Transfer Restrictions on the Granted Shares will be lifted immediately before the business day preceding the Effective Date of Organizational Restructuring.

- (a) A merger agreement in which the Company is the merged company: The effective date of the merger
- (b) An absorption-type division agreement or incorporation-type division plan in which the Company is the dividing company (only if the Company delivers to its shareholders all or part of the division consideration to be delivered as a result of the division on the effective date of the division): The effective date of the division
- (c) A share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary: The effective date of the share exchange or share transfer
- (d) A share consolidation (only if the share consolidation results in the number of Delivered Shares held by Directors being less than one share): The effective date of the share consolidation
- (e) An acquisition of all of the Company's common shares by attaching a full acquisition clause under Article 108, Paragraph 1, Item 7 of the Companies Act to the Company's common shares: The acquisition date stipulated in Article 171, Paragraph 1, Item 3 of the Companies Act.
- (f) A demand for the sale of shares for the Company's common shares (meaning a demand for the sale of shares as stipulated in Article 179, Paragraph 2 of the Companies Act): The acquisition date stipulated in Article 179-2, Paragraph 1, Item 5 of the Companies Act.

(4) Other matters to be determined by the Board of Directors

In addition to the above, the contents of this Transfer Restriction Agreement shall include the method of expressing intent and notifying the parties under the Transfer Restriction Agreement, the method of amending the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors.

4. Transfer Restriction Period for Company Shares to be delivered to Directors corresponding to Performance-linked Points

If the Proposal is approved as proposed, Company Shares to be delivered corresponding to performance-linked points granted in accordance with 2.(3)(i) above after approval shall be subject to transfer restrictions (prohibition on transfer, creation of security interest, or other disposition) for a period of three years from the time of delivery in accordance with the share delivery rules established by the Company's Board of Directors (however, the transfer restrictions will be lifted if the Director retires).

Proposal 6: Revision of Maximum Compensation Amount for Directors

Compensation paid to the Company's Directors in the amount of no more than 600 million yen annually (including no more than 60 million yen annually for Outside Directors) was approved at the Annual Shareholders' Meeting held on June 20, 2022. Moreover, the amount of compensation does not include employee salaries paid to Directors who also serve as employees. As of the conclusion of the said Annual Shareholders' Meeting, the number of Directors is nine (of which three (3) are Outside Directors).

As described in the [Reference] section at the end of this proposal, we are revising the compensation system for the purposes of promoting shareholder value linkage, increasing the incentive effect for improving business performance and corporate value in both the short and medium term, achieving a compensation level that is externally competitive, and making the system and compensation decision process more transparent and objective. Accordingly, we would like to ask for your approval to increase the amount of compensation, etc., as stated above, and revise the compensation limit for Directors in the amount of no more than 800 million yen annually (including no more than 80 million yen annually for Outside Directors). Please note that this amount of compensation does not include employee salaries paid to Directors who also serve as employees.

Furthermore, as stated in Proposal 5, "Amendment to the performance-linked, stock-based compensation paid to Directors," the stock-based compensation system for which approval is sought in that proposal will be separate from the compensation, etc., for which approval is sought in this proposal.

This proposal has been decided following deliberation at a Board of Directors meeting following consultation with the Compensation Committee, the majority of whom are Independent Outside Directors. Accordingly, the Company has judged that the details of the Proposal are reasonable.

If Proposal 2 is approved as originally proposed, the number of Directors will be nine (9) (including three (3) Outside Directors).

The effectiveness of this proposal is conditional on Proposal 5 being approved as originally proposed.

[Reference]

The policy for determining the compensation of Directors (excluding Outside Directors and Auditors; the same applies hereinafter) in the case that Proposal 5 and Proposal 6 are approved as proposed is as follows.

1. Method for determining the policy for determining the compensation of individual Directors

The Company determines the policy for determining the amount of compensation of Directors and the calculation method thereof through consultation with the Compensation Committee, the majority of which is made up of Outside Directors, and deliberation at the Board of Directors. The basic policy is to promote linkage with shareholder value, increase the incentive effect for improving business performance and corporate value in both the short and medium term, achieve a compensation level that is externally competitive, and have a more transparent and objective system and compensation decision-making process. In addition, the compensation of Outside Directors and Auditors is limited to basic compensation, which is fixed compensation, in consideration of the nature of their duties.

2. Summary of the policy for determining the compensation of individual Directors

<Basic principles of the Compensation System>

The NAGASE Group is committed to solving manufacturing issues through materials, building on the relationships of trust with stakeholders fostered through activities conducted with the highest standards of integrity. The Group aims to contribute to business not only in the short term but also over the medium to long term, pursuing the realization of a sustainable world where people live with peace of mind in an era where economic value and social value are increasingly intertwined. NAGASE newly established the following policy regarding the compensation of internal Directors and executive officers, who serve as the driving force behind achieving these goals. Based on this policy, the Company designed a specific compensation system.

Earnings and corporate value enhancement	Recruitment and retention of skilled human capital	Ensuring accountability
<ul style="list-style-type: none">● Offer compensation system that drives the achievement of the following strategies and supports sustainable corporate value creation<ul style="list-style-type: none">- Linking compensation to shareholder value- Pursing short-term and medium- to long-term growth and efficiency- Balancing economic and social value	<ul style="list-style-type: none">● Offer competitive compensation system and compensation levels to attract and retain diverse, skilled human capital capable of accelerating business transformation● Offer compensation levels that encourage the growth and development of the next generation of management leaders	<ul style="list-style-type: none">● Maintain a transparent and objective compensation system and compensation-determining process

<Compensation level and compensation structure>

The Company uses objective external compensation data to benchmark NAGASE against competitive domestic companies in both business operations and talent acquisition. NAGASE sets its compensation levels at or above the market median of such data, taking into account business conditions and other relevant factors. In doing so, NAGASE aims to attract and retain diverse, skilled human capital capable of accelerating business transformation and to foster the growth ambition of the next generation of management leaders.

Type of compensation (approximate ratio)		Purpose	Performance metrics	Evaluation period	Details
Basic compensation (33%-59%)		Fixed	Basic compensation for execution of duties	—	Monthly payment, determined by the Board of Directors in accordance with roles and responsibilities.
Annual bonus (27%-33%)		Variable	<ul style="list-style-type: none"> Consolidated operating income Business division operating income (for Directors in charge of business divisions) 	1 year	Determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee, based on consolidated operating income and business division operating income for the fiscal year. Paid in a lump sum in June.
			Individual performance evaluations		The president, delegated by the Board of Directors, evaluates individual officer performance and determines individual payment amounts (the President is not subject to individual evaluation). Paid in a lump sum in June.
Stock-based compensation (Note 1) (13%-33%)	Performance-linked stock compensation	Variable	<ul style="list-style-type: none"> ROE Sustainability-related indicators 	3 years (Note 2)	Stock grant points granted annually based on achievement of medium-term KPIs over three consecutive fiscal years and determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee (with a three-year transfer restriction after grant. (Note 3))
	Restricted stock compensation		—		Restricted stock granted annually based on a standard amount resolved by the Board of Directors according to role and responsibility, with transfer restrictions lifted upon resignation.

The indicated ratios show the proportion of each compensation type, assuming 100% achievement of performance targets based on the standard value. Director, senior adviser not eligible for stock-based compensation are excluded.

(Notes) 1. Stock-based compensation will be provided in a trust format as stated in Proposal 5.

2. However, the Company will evaluate fiscal 2025, the final year of the current medium-term management plan, based on a single fiscal year.

3. Transfer restrictions are lifted upon resignation in the event that an officer retires during the three-year period.

3. Matters relating to the entrustment of determination of the details of compensation, etc., paid to each Director

The Company determines policies on Director compensation amounts and calculation methods based on discussions by the Officer Remuneration Committee, composed primarily of outside Directors, and deliberations by the Board of Directors.

The Board of Directors delegates authority over individual Director compensation to Hiroyuki Ueshima, Representative Director and President, based on the Officer Remuneration Committee review of compensation system and level appropriateness. The authority delegated to Mr. Ueshima includes individual assessments of performance-linked compensation based on the performance of each Director's assigned business division. The Board of Directors determined that delegating this authority to the Representative Director and President is appropriate, as he is best positioned to assess divisional performance while overseeing overall Company performance. The Board of Directors consulted the Officer Remuneration Committee, received recommendations, and confirmed that the delegated authority is exercised appropriately and decisions align with established policies. Compensation paid to each Audit & Supervisory Board member is determined through discussions held by the Audit & Supervisory Board members.

Business Report (April 1, 2024 to March 31, 2025)

1. NAGASE Group business conditions

(1) Development and results of business operations

The global economy during the current fiscal year remained uncertain due to rising geopolitical risks, trends in monetary policy in major countries, concerns about a slowdown in the Chinese economy, and new trade and tariff policies by the U.S.

Among the regions where the NAGASE Group conducts business, the economy in Greater China, adjustments were prolonged in supply and demand in the real estate market, and the economic recovery remains sluggish. In the Americas, prices are trending toward stability, but high interest rates persist, and the future of the economy remains uncertain. In ASEAN, the economies have been on a solid trend, led by domestic and inbound demand. In Japan, corporate performance and employment are stable, but personal consumption is cautious due to the impact of rising prices, and the pace of economic recovery is slow. In all regions, the future is uncertain, as the trade and tariff policies of the U.S. may affect the international trade order and supply chains.

In such environment, the Group's earnings during the current fiscal year were as below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year on year	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Gross profit	164,719	181,291	16,572	10.1%
Operating income	30,618	39,078	8,459	27.6%
Ordinary income	30,591	38,382	7,791	25.5%
Profit attributable to owners of the parent	22,402	25,521	3,118	13.9%

- In terms of performance in the current fiscal year, all profit stages increased mainly due to a weaker yen.
- Operating income increased due to an increase in gross profit. For details, see Overview by Segment.
- Profit attributable to owners of the parent increased by ¥3.1 billion to ¥25.5 billion despite recording a loss on discontinued operations related to the exit from the glass substrate thinning business in China, which was decided in fiscal year 2020, as well as a loss on valuation of investment securities. This increase was mainly due to higher operating income.

Overview by Segment

The following describes performance by segment.

As of the current consolidated fiscal year, we changed the method of allocating corporate expenses to reflect the performance of reportable segments more appropriately. Segment performance for the previous fiscal year is based on the allocation method after the change.

<Functional Materials>

Gross profit

32.5 billion yen (up 15.6% from the previous fiscal year)

The major factors behind performance were as follows.

- Coating materials sales increased due to higher market prices, despite flat demand in automotive and architectural applications
- Sales increased for raw materials for semiconductor materials
- Losses narrowed in the color former business due to the suspension of production in the U.S. and the review of unprofitable transactions and streamlining of manufacturing bases in Japan
- Operating income increased due to an increase in gross profit

<Advanced Materials & Processing>

Gross profit

26.1 billion yen (up 10.9% from the previous fiscal year)

The major factors behind performance were as follows.

- Resin sales increased due to recovery in demand in the electrical and electronics industry, including office automation equipment
- Sales of industrial hoses and civil engineering pipes increased at TOTAKU INDUSTRIES, INC.
- Operating income increased due to an increase in gross profit

<Electronics & Energy>

Gross profit

40.0 billion yen (up 17.0% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales of materials for high-end smartphones, tablets, and other electronic devices increased due to a recovery in demand
- Sales of materials for the semiconductors increased due to a moderate market recovery
- Sales of formulated epoxy resins of Nagase ChemteX increased due to strong demand for semiconductors used in AI servers
- Operating income increased due to an increase in gross profit

<Mobility>

Gross profit

16.5 billion yen (up 8.3% from the previous fiscal year)

The major factors behind performance were as follows.

- Resin sales, which account for about half of gross profit, increased due to yen depreciation and rising market prices, despite a decline in automobile production volume
- Sales increased for functional materials and functional components for interior and exterior fittings and electrification
- Operating income increased due to an increase in gross profit

<Life & Healthcare>

Gross profit

66.0 billion yen (up 4.2% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales increased for pharmaceutical raw materials and intermediates
- Sales of Nagase Viita increased overall due to strong sales of food ingredients, despite lower sales of cosmetic materials stemming from sluggish sales overseas
- The Prinova Group saw an increase in food ingredient sales and an improvement in gross profit margin compared to the same period last year, when market conditions were weak
- Operating income decreased, despite an increase in gross profit, mainly due to higher selling, general and administrative expenses stemming from allowance for doubtful accounts and higher personnel expenses at the Prinova Group, which were recorded in the second quarter

<Others>

No special matters to disclose.

(2) Status of capital investment, etc.

During the current fiscal year, the Group made capital investment of 16.2 billion yen (including intangible fixed assets), particularly in the Life & Healthcare segment.

A breakdown of capital investment amounts by segment is set forth below.

Segment	Amount (Millions of yen)
Functional Materials	1,269
Advanced Materials & Processing	1,291
Electronics & Energy	2,811
Mobility	677
Life & Healthcare	3,987
Others, Company-wide (common)	6,172
Total	16,209

(3) Status of capital procurement

The Company has established commitment lines of 20 billion yen in total with financial institutions for fund-raising, preparing for unexpected situations.

(4) Status of transfers of business, absorption-type company split or corporate divisions

No applicable information.

(5) Status of acquisition of business of other companies

No applicable information.

(6) Status of assumption of rights and duties relating to the business of other companies through absorption-type merger or company split

No applicable information.

(7) Status of acquisition or disposal of shares, other equity interests, or share options and the like of other companies

No applicable information.

(8) Issues to be addressed

Medium-term Management Plan “**ACE 2.0**”

The NAGASE Group (hereinafter “NAGASE”) has prepared the Five-Year Medium-term Management Plan “**ACE 2.0**” to solve materiality (key issues) identified, by backcasting from the Ideal NAGASE in 2032 (200th anniversary of its foundation). Positioning **ACE 2.0** as “Pursue Quality,” NAGASE launched it in April 2021, and considers that the items listed in **ACE 2.0** are the issues to be addressed.

* “**ACE**” represents Accountability, Commitment, and Efficiency.

Quantitative Targets of **ACE 2.0** and Results

Quantitative targets of **ACE 2.0** and results are as shown in the table below.

Measures	Indicators	Targets	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Enhance capital efficiency	ROE	8.0%	5.9%	7.7%	6.6%	5.9%	6.4%
Increase earnings power	Operating income	¥35.0 billion	¥21.9 billion	¥35.2 billion	¥33.3 billion	¥30.6 billion	¥39.0 billion

In fiscal 2024, both operating income and ROE exceeded the level of the previous fiscal year. The semiconductor-related business, which is operated in the Electronics & Energy segment, and the Functional Materials segment, performed steadily. In particular, formulated epoxy resins for advanced semiconductors for AI servers at Nagase ChemteX Corporation sold well, and we enhanced the production capacity to meet increasing demand. The color former business operated in the Functional Materials segment returned to profitability thanks to revision of unprofitable transactions and streamlining at Fukui Yamada Chemical Co., Ltd., which is our manufacturing base in Japan, in addition to withdrawal from business at SOFIX LLC in the U.S. Furthermore, Fukui Yamada Chemical Co., Ltd. was integrated with the functional dyes business of Nagase Viita Co., Ltd. into Nagase ChemteX Corporation on April 1, 2025 with the aim to strengthen our development capability and enhance production efficiency through technologic synergies, promote business continuity planning (BCP) measures as part of our strategy to develop our network of business locations, and make talent cultivation more efficient by promoting the flow of human talent between business locations. By concentrating chemical resources within the Nagase Group to Nagase ChemteX Corporation, we will maximize and optimize the use of our core management resources. The Life & Healthcare segment was sluggish due to weak contract manufacturing for sports nutrition and the impact of lower demand for cosmetic materials in the Chinese market on Nagase Viita Co., Ltd., despite strong food ingredient sales in the Prinova Group.

As a result, operating income was ¥39 billion, 128% compared with the previous fiscal year, and ROE was 6.4%, exceeding the level of the previous fiscal year. These are partly due to better capital efficiency resulting from the changed shareholder return policy, which was decided in May 2024 (providing a total shareholder return ratio of 100% as a limited measure for two years until 2025), as well as increased profit attributable to owners of the parent.

Toward the final year of **ACE 2.0**, we implemented important investments and measures in fiscal 2024 for our future growth.

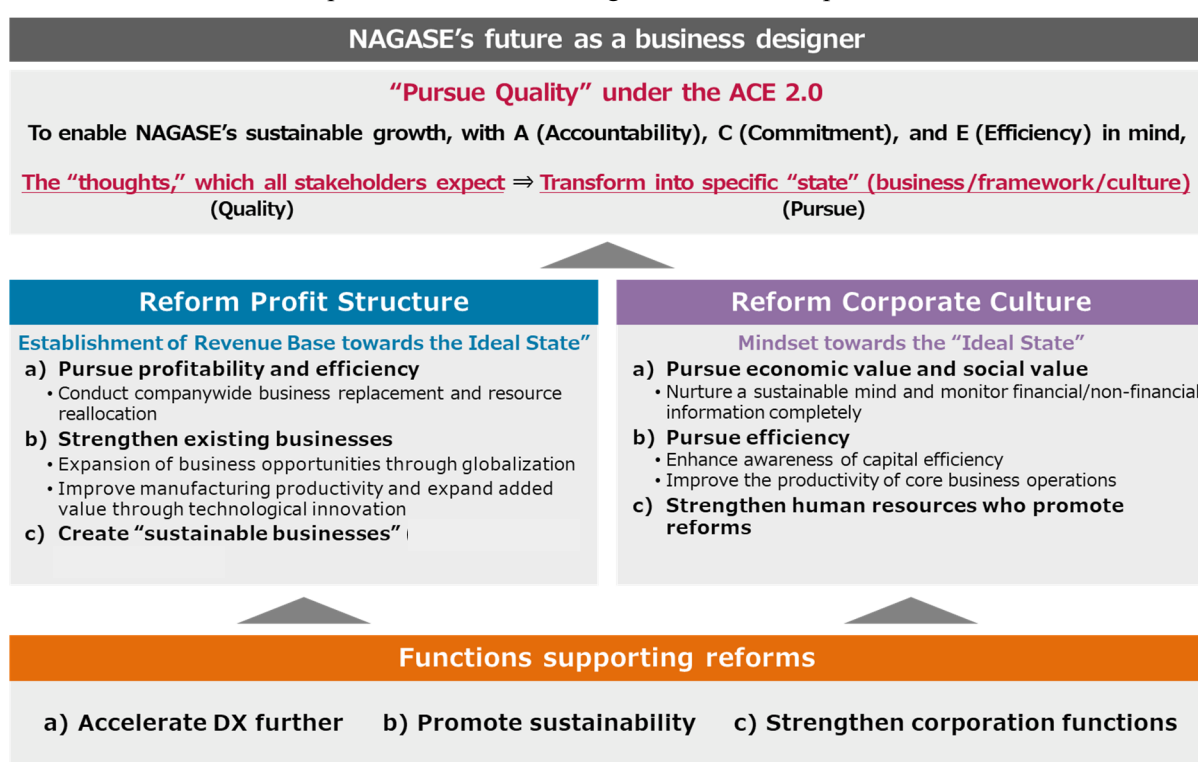
For the manufacturing function, we made efforts to realize growth in the Focus Areas of food, semiconductors, and life sciences. In the food area, we reorganized the Prinova Group’s management system, and we established a restoration system to improve profitability, particularly in the manufacturing business. In the semiconductor area, we strengthened the production capacity for formulated epoxy resins to meet increasing demand at Nagase ChemteX Corporation, decided to acquire the Asia business of SACHEM, Inc. (hereinafter referred to as Sachem) in the U.S., and newly launched a new factory to expand the recovery and recycling business for tetramethyl ammonium hydroxide (hereinafter referred to as TMAH). In the life science area, we decided to acquire Asahi Kasei Pharma’s diagnostic operations.

In the trading function, we made efforts to deepen ROIC management and to enhance profitability by improving profitability in low-margin transactions and optimizing inventory levels. These efforts are being made steadily at bases both in Japan and overseas, and ROIC improved by 0.4 ppt from the previous fiscal year to 4.4% in fiscal 2024.

In fiscal 2025, which is the final year of the Medium-Term Management Plan **ACE 2.0**, we will promote efforts to achieve ROE and operating income, which are our quantitative targets, and sustainable growth from fiscal 2026 onward.

Basic **ACE 2.0** Policy

For the realization of NAGASE's sustainable growth under the **ACE 2.0**, NAGASE will create the "thoughts" that all stakeholders expect as a specific "state" (business/framework/culture). Then, NAGASE will aim to become "a business designer that creates a sustainable future" by accelerating DX further, promoting sustainability, and strengthening corporate functions for the two kinds of reform, "Reform Profit Structure" and "Reform Corporate Culture," including the functions to uphold both reforms.

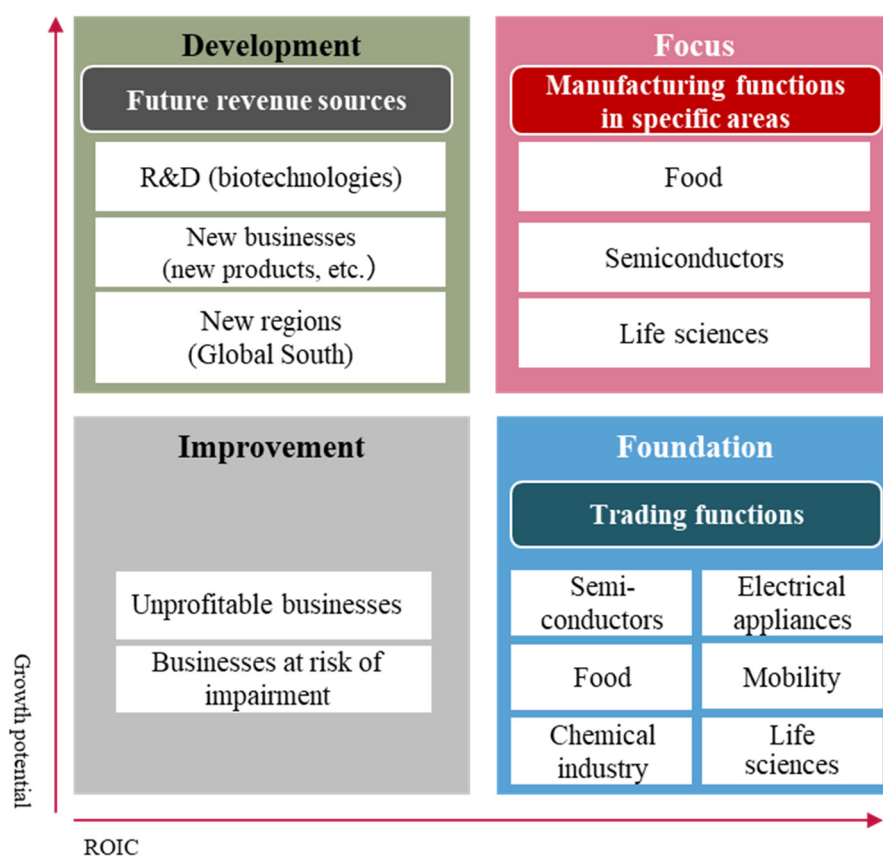


Reform Profit Structure - Establishment of Revenue Base towards the “Ideal NAGASE”

To maximize management resource efficiency, NAGASE secures and reinvests management resources. From the viewpoints of efficiency and growth, NAGASE classifies its businesses into four areas, “Base,” “Focus,” “Growth,” and “Improvement,” implements strategies for each area, and accelerates the shifting of resources.

NAGASE has manufacturing and R&D functions as well as trading company functions. We had been using a business axis for our four quadrants; however, we re-classified our business portfolio by use of a functional axis in fiscal 2023 to further ensure future growth, clarifying priority fields in respective areas.

(Approach to Business Portfolio)



[Reform Profit Structure - Initiatives]

(Base Areas)

We have defined the trading function and the manufacturing function in other than specific areas as the Base Areas in the business portfolio. The trading function is responsible for exploring issues faced by society and customers, and matching them with solutions, by taking advantage of our global network and NAGASE human resources' ability to extract perceptive insights from information. The trading function is indispensable to the creation of future new businesses and materials by utilizing cash and high-quality information obtained through those activities in developing businesses in the Focus and Develop Areas.

In each business, we further deepened ROIC management and focused on increasing margins and reducing inventory. Specifically, we worked to improve profitability by making corrections to transactions with relatively low profitability and, when conditions were not favorable, even considering giving up commercial rights. We also improved the efficiency of working capital by optimizing levels of inventory held. These efforts have been implemented at all our bases both in Japan and overseas, and their results have become evident.

In the food area, we acquired Apliquimica Aplicacoes Quimicas Especiais Ltda (hereinafter referred to as "Aplinova"), which engages in wholesale, manufacturing, and sale of food ingredients in Brazil (April 2025). Aplinova sells and processes premix, flavors, and food colors, and has a track record of transactions with over 1,000 food manufacturers in Brazil. Through this acquisition, we will fully develop business in the South American markets, and expand sales of amino acid, sweeteners, and vitamins, which are handled by the Prinova Group.

(Focus Areas)

We define manufacturing functions in the food field centered on Prinova Group, the semiconductor field centered on Nagase ChemteX Corporation, and the life science field centered on Nagase Viita Co., Ltd. as Focus Areas.

In the food area, we appointed a new CEO of the Prinova Group and reorganized its management system. We further expanded the trading business through our global customer base and ability to make proposals, while we proceeded with restoration of the manufacturing business for better profitability. In this way, we will aim for sustainable growth and better corporate value throughout the Group.

In the semiconductor area, sales of formulated epoxy resin for advanced semiconductors for AI servers at Nagase ChemteX Corporation were strong. We strengthened the production capacity to meet increasing demand, and we plan to further enhance it in fiscal 2025. We also decided to acquire the Asia business of Sachem in the U.S. The manufacturing and sales functions for high-purity chemicals for semiconductors will be integrated into the Group. In addition, we are working on the recovery and recycling business of TMAH, which is a chemical used in semiconductor manufacturing processes, and we launched a new factory. We aim to start mass production in fiscal 2025.

In the Life Sciences field, we have decided to acquire the diagnostics business of Asahi Kasei Pharma Corporation, and plan to add the company to our group on July 1, 2025. This deal aims to expand businesses in the biotechnology area utilizing the research & development function, which is our Develop Area, in addition to strengthening the manufacturing function in the life science area, which is our Focus Area.

(Growth Areas)

We define research and development for new materials that will become a future pillar of revenue, incubation to create new businesses, and businesses in areas of high growth potential as Growth Areas.

For the research & development function, we signed a joint development agreement with LiveDo Corporation in the current fiscal year for the use of bio-derived and biodegradable superabsorbent polymer in adult diapers and urine care products. With the aim of commercializing the products from 2027 onwards, we consider their market deployment as sustainable sanitary products.

In addition, we started efforts for Corporate Venture Capital (CVC) in fiscal 2023 to obtain information and entry opportunities regarding new areas and new technologies, and we established a 100% subsidiary, Nagase Future Investments Co., Ltd., as an organization with our own system dedicated to investment business with the aim for more speedy decision-making and acquisition of optimal human resources. Through investments in startups that have state-of-the-art technology or knowledge, we will accelerate efforts to capture the buds of new businesses.

Furthermore, we have defined regions expected to see continuous growth moving forward as the Global South (India, Brazil, Mexico, and Indonesia), and begun efforts such as area strategy planning across business divisions. In India, we established a joint venture, JAE ELECTRONICS INDIA PRIVATE LIMITED, with Japan Aviation Electronics Industry, Ltd. to sell connectors for motorcycle/automobile vehicles. In Mexico, we established a joint venture, ATECS INSERT MOLDING MEXICO S.A. DE C.V., with Atex Co., Ltd. to manufacture electrification-related components for xEV. We will build a manufacturing system to start mass production in or after 2026.

(Improvement Areas)

Areas for improvement are defined as affiliates that are experiencing operating losses, unprofitable transactions, and businesses where there is concern about future loss on impairment of fixed assets.

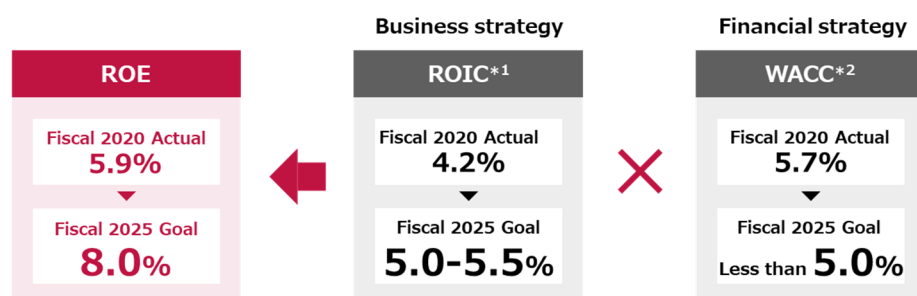
In the relevant Color Former business, in addition to withdrawing from SOFIX LLC in the U.S., we have improved efficiency at Fukui Yamada Chemical Co., Ltd., our manufacturing base in Japan, and have achieved a turnaround to profitability. For unprofitable transactions, we made efforts to improve and enhance profitability by returning rights for businesses if conditions are not met.

In fiscal 2025, which is the final year of the Medium-Term Management Plan **ACE 2.0**, we will reduce unprofitable transactions and loss on impairment of fixed assets to achieve losses of ¥1 billion or less.

Reform Corporate Culture - Mindset towards the “Ideal NAGASE”

Considering that it is necessary to pursue economic value and social value as a pair of values for the realization of “Pursue Quality,” NAGASE conducts monitoring by setting financial and non-financial KPIs. Further, we will strive to improve productivity of core operations in the pursuit of efficiency, increase ROIC through the business strategy, and reduce WACC through the financial strategy, to improve ROIC spread. NAGASE will aim to improve corporate value by earning its ROIC above WACC at all times. In addition, we believe it is necessary to boost personnel to promote reforms and will work to enhance engagement of employees and the Company to achieve sustained growth and development for both.

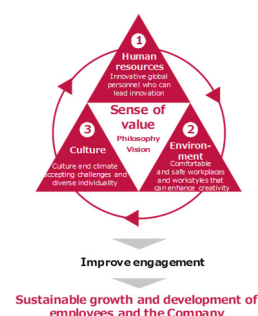
(Pursue Efficiency)



*1: Profit attributable to owners of the parent/Average invested capital*100

*2: Cost of shareholders' equity (constituent of WACC) represents the amount obtained using the Company's original CAPM-based calculation method.

(Enhanced Engagement)



[Reform Corporate Culture - Initiatives]

In fiscal 2024, ROIC rose by 0.4 ppt from the previous fiscal year to 4.4% due to an increase in profit attributable to owners of the parent resulting from strong business performance.

Although the cost of debt increased due to rising interest rates, the WACC remained unchanged from the previous fiscal year at 5.9% due to the fact that we managed to curb capital accumulation by achieving a total return ratio of 100%, and the cost of shareholders' equity decreased due to factors such as a decline in the beta value.

As an initiative to improve capital efficiency, we sold two securities valued at 3.2 billion yen of cross-shareholdings in fiscal 2024. While we have been striving to improve profitability through various measures, under the recognition that further improvement in capital efficiency is necessary to achieve ROE of 8.0% or higher, a quantitative target of **ACE 2.0**, in May 2024, we decided to change our shareholder returns policy to adopt total return ratio of 100%, in addition to the existing policy of continued dividend increase, as a tentative measure for two years up to fiscal 2025, the final year of **ACE 2.0**.

The revised shareholder returns policy will be reviewed upon the expiration of **ACE 2.0**.

(Policy and results of the sale of cross-shareholdings)

	Fiscal 2019	Fiscal 2020	Medium-term Management Plan ACE 2.0					(from fiscal 2021 to fiscal 2025)
			Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Total	
Number of securities sold	7	5	49	13	17	2	81	<u>Five years' cumulative total</u> <u>Plan to sell shares worth</u> <u>¥30 billion</u>
Total sales price	¥10.4 billion	¥6.2 billion	¥7.8 billion	¥7.3 billion	¥7.1 billion	¥3.2 billion	¥25.6 billion	

(Changes to our shareholder returns policy)

	Conventional policy	New policy
Total return ratio	—	100%
Dividends	In principle, continued dividend increase	Same as on the left
Repurchase of treasury stock	Implement repurchase of treasury stock flexibly, with the maximum amount being the amount of strategic cross-shareholding sold	Implement repurchase of treasury stock flexibly

* A tentative measure until the expiration of **ACE 2.0** (fiscal 2025). It will be reviewed upon the expiration of **ACE 2.0**.

With respect to the enhancement of personnel to promote reforms, we revised the human resources system of the Company with the aim to clarify roles and professional duties and ensure their linkage to treatment, enable dynamic personnel assignment and promotion, and facilitate securing and promotion of diverse specialist personnel. We started operating the system on April 1, 2024. In addition, we assign an HRBP (HR Business Partner) to each department to strengthen the system to promote human resources strategies linked to medium- to long-term business strategies. In addition to these initiatives, we have been promoting the reform of our work culture, etc., through the creation of learning opportunities by expanding elective training, hosting workshops aimed at the promotion of D&I (Diversity & Inclusion) for management and those in managerial posts, and further expanding support for balancing childcare, nursing care, and work responsibilities. Through these initiatives, we will promote improved employee engagement and sustained growth and development for employees and the Company.

Functions supporting reforms

To realize both reforms, NAGASE will expand the DX, sustainability, and corporate functions because these functions are necessary across the Group.

By using DX as a means, NAGASE will further improve its existing strengths, “broad network,” “technical knowledge,” and “problem-solving capabilities & human resources,” mainly aiming to enhance and explore business models that can solve the issues of customers and societies, create innovation, and improve productivity.

To pursue economic value and social value for the realization of the “Ideal NAGASE” based on the Sustainability Basic Policy, NAGASE will also make these functions available to the entire Group.

[Initiatives]

Results of the further acceleration of DX in fiscal 2024 include the transition to the full operational phase of the digital marketing infrastructure built in the previous fiscal year and its wide utilization to expand customer contacts in business divisions.

We have held digital exhibitions dedicated to specific customers and periodically distributed information using marketing automation tools to understand the viewing status of each customer and implement sales activities based on it, which have enabled us to strengthen relationships with existing customers and approach new customer bases with which we have had no connection. In addition, accumulated information on the approaching status by each customer and the progress of projects have contributed to creation of new business opportunities.

For the promotion of sustainability, we revised our materiality in September 2024 in light of changes in the external environment. With more awareness of solving social issues through our business, we defined six materiality items in total by newly adding “Extend a healthy life expectancy,” “Achieve a sustainable supply chain,” and “Driving a circular economy” to the existing three materiality items: “Employee engagement improvement,” “Realize decarbonization,” and “Transparency in corporate governance.” Under these materiality items, we will make more efforts to promote sustainability as a company that solves issues through materials.

For strengthening the corporate function, we will revise the compensation system for inside directors and executive officers from fiscal 2025 onward, subject to the approval of the proposal for the revision of the upper limit of Director compensation, with the aim to further strengthen the earnings and corporate value enhancement, Recruitment and retention of skilled human capital, and the ensuring accountability. For details about the new compensation system, please see pages 31 to 33.

Earnings and corporate value enhancement	Recruitment and retention of skilled human capital	Ensuring accountability
<ul style="list-style-type: none">● Offer compensation system that drives the achievement of the following strategies and supports sustainable corporate value creation<ul style="list-style-type: none">- Linking compensation to shareholder value- Pursing short-term and medium- to long-term growth and efficiency- Balancing economic and social value	<ul style="list-style-type: none">● Offer competitive compensation system and compensation levels to attract and retain diverse, skilled human capital capable of accelerating business transformation● Offer compensation levels that encourage the growth and development of the next generation of management leaders	<ul style="list-style-type: none">● Maintain a transparent and objective compensation system and compensation-determining process

Non-financial targets (KPIs) and results

Under **ACE 2.0** we have established employee engagement and reduction in GHG emissions toward carbon neutrality as non-financial targets (KPIs) to be evaluated quantitatively and monitored in our initiatives to address to solve materiality (key issues). The results for fiscal 2024 are as below.

Enhance employee engagement

Benchmarks	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Targets for Fiscal 2025
Group companies: Ratio of companies that carry out engagement surveys periodically* ¹	41%	81%	86%	100%	100%
NAGASE & CO., LTD. (non-consolidated): Total score in the engagement survey* ²	52.4	56.5	56.0	58.3	60 or higher
(Reference) NAGASE & CO., LTD. (non-consolidated): Response rate in the engagement survey	98%	96%	96%	98%	-

*1 This applies to consolidated subsidiaries under legal accounting. Companies that became consolidated subsidiaries during the **ACE 2.0** period are not included.

*2 The engagement survey total score of “60” is a standard deviation calculated by Link and Motivation Inc. (total data of more than 10,000 companies), and the organizational state is defined as “mutual trust.” Our Company has set a survey total score of “60” as the goal of our medium-term management plan **ACE 2.0** in order to aim for a condition in which the Company (organization) and employees understand each other well as equal partners and look in the same direction, in other words, a state of mutual trust.

Reduction in GHG emissions

(Unit: t-CO₂)

	Item	Fiscal 2013	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Targets for Fiscal 2025
Consolidated	Scope 1	86,197	30,538	33,132	31,099	28,260	30,229	-
	Scope 2 (Market-based)		33,105	27,057	25,611	26,737	18,751	-
	Total		63,643	60,189	56,710	54,997	48,980	-
	Scope 1, 2 reduction rate (compared to 2013)	-	26%	30%	34%	36%	43%	37% or higher
	Reduction due to power generation and purchase of renewable energy (cumulative)	-	-	10	523	7,478	13,272	35,000 or higher
	NAGASE & CO., LTD. (non-consolidated)	-	-	2,514	2,014	1,803	1,893	Zero emission

* Included in the consolidated data are NAGASE & CO., LTD., Nagase ChemteX Corporation, and Nagase Viita Co., Ltd.

* Data for fiscal 2024 are tentative values before receiving third-party assurance.

(9) Changes in assets and profit/loss

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Gross profit (Unit: Million yen)	139,494	155,410	164,719	181,291
Ordinary income (Unit: Million yen)	36,497	32,528	30,591	38,382
Profit attributable to owners of the parent (Unit: Million yen)	25,939	23,625	22,402	25,521
Earnings per share (Unit: yen)	213.46	199.54	194.96	230.39
Total asset (Unit: Million yen)	739,720	762,688	792,336	808,143
Net asset (Unit: Million yen)	355,092	378,388	401,315	406,459

Note: Amounts indicated in units of one million yen are rounded down to the nearest one million yen.

(10) Status of parent company and main subsidiaries (As of March 31, 2025)

a) Status of parent company

No applicable information.

b) Status of main subsidiaries

Company name	Capital	Percentage of voting rights held	Main business
Prinova Group LLC	-	100.0% (100.0%)	Sales of food ingredients, processing, and contract manufacturing of finished products
Nagase Holdings America Corporation	(thousand) US\$ 1	100.0%	Regional management, investment and asset management, and provision of professional services
Nagase Viita Co., Ltd.	500 million yen	100.0%	Development, manufacture, and sale of food raw materials, pharmaceutical raw materials, cosmetics raw materials, health foods raw materials, and functional dyes
Shanghai Nagase Trading Co., Ltd.	(thousand) RMB 8,120	100.0% (100.0%)	Import/export, intermediate trade, market development, information collection
Nagase ChemteX Corporation	2,474 million yen	100.0%	Manufacture and sale of high-performance resins, such as formulated epoxy resins, photolithography materials, epichlorohydrin derivatives, acrylic polymer, electroconductive paints, and sterilization and antibacterial agents
Nagase (Hong Kong) Ltd.	(thousand) HK\$ 28,670	100.0%	Import/export, intermediate trade, market development, information collection
Nagase (China) Co., Ltd.	(thousand) RMB 134,687	100.0% (100.0%)	Investment, trade, import/export, processing, logistics, R&D, IT development, and various services
Shanghai Hua Chang Trading Co., Ltd.	(thousand) RMB 19,864	70.0% (53.8%)	Sale of plastics and related products
Nagase Chemical Co., Ltd.	310 million yen	100.0%	Sale of coating raw materials, dyestuffs, paper chemicals, industrial chemicals, plastics, and various machinery
Nagase (Thailand) Co., Ltd.	(thousand) BAHT 321,000	100.0%	Import/export, intermediate trade, market development, information collection

Notes:

- Figures in parentheses under percentage of voting rights held indicate indirect ownership (included in total equity holdings).
- Prinova Group LLC is a limited liability company under United States law. The amount of capital is not stated because it does not exactly accord with the concept of capital.
- As of the end of the fiscal year, there were no specified wholly owned subsidiaries.

(11) Main business activities (As of March 31, 2025)

The NAGASE Group conducts import and export of a diverse range of products, conducts domestic transactions, manufactures and sells products, and provides services.

Business segment	Products handled or services provided
Functional Materials	Paint and ink, dyestuff, pigments, additives, processing pigments, dispersing element, functional dyes, material for thermal paper, materials for toner and ink-jet, adhesive raw materials, urethane materials and auxiliaries, plastic materials, plastic additives, industrial oil materials, water processing-related materials, surfactant raw materials, fluorochemicals, adhesive materials, 5G-related materials, silicone materials, environmental solution and environment-related commercial products, sintered metal filters, conductive paints, and others
Advanced Materials & Processing	Thermoplastic resins, thermosetting resins, plastic products, plastic moldings and molds, and others
Electronics & Energy	Formulated epoxy resins, fluorine products, fine polishing abrasives, semiconductor assembly materials and equipment, adhesive and sealing materials, display panel components, materials and equipment, chemical management equipment for display production processes, low-temperature vacuum equipment, equipment to analyze liquid state, LED, 3D printing-related commercial products, solar panels, and others
Mobility	Plastic products, rechargeable battery raw materials, interior and exterior materials and parts, materials for mechanical components, products for electrification, sensor parts, products for automotive interior electronics, automotive display-related components, products for automatic driving, and others
Life & Healthcare	Pharmaceutical raw materials, research reagents, diagnostics, food extracts, food additives, enzymes and other processing aids, sports nutrition, premix, raw materials for cosmetics, cosmetics additives, surfactants, materials for agriculture (including livestock raising) and fisheries, endotoxin removal services, radiation measuring services, and others
Others	Design and manufacture of rechargeable battery systems, proposals for energy management systems, battery assessment services, healthcare services, logistics services, information processing services, vocational services, and others

(12) Main offices and plants (As of March 31, 2025)

NAGASE & CO., LTD.	Domestic sales branch	Head office	Osaka Head Office (Osaka, Osaka)
		Branch	Tokyo Head Office (Chuo-ku, Tokyo), Nagoya Branch Office (Nagoya, Aichi)
	Domestic R&D center	Nagase Bio-Innovation Center (Kobe, Hyogo), Nagase Application Workshop (Amagasaki, Hyogo)	
Subsidiaries	Domestic sales branch	Nagase Chemical Co., Ltd. (Chuo-ku, Tokyo), and others	
	Domestic manufacturing plant	Nagase Viita Co., Ltd.: Okayama Plant I, Plant II, Okayama Functional Saccharide Plant, Fujita Plant and Fujita Formulation Plant (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto) Nagase ChemteX Corporation: Harima Plant, (Tatsuno, Hyogo), Sakai Factory (Sakai, Osaka), and others	
	Domestic R&D center	Nagase Viita Co., Ltd.: Fujisaki Institute (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto) Nagase ChemteX Corporation Harima Plant (Tatsuno, Hyogo), and others	
	Overseas sales branch	Prinova Group LLC, Nagase Holdings America Corporation, Shanghai Nagase Trading Co., Ltd., Nagase (Hong Kong) Ltd., Nagase (China) Co., Ltd., Nagase (Thailand) Co., Ltd., Shanghai Hua Chang Trading Co., Ltd., and others	

Notes:

1. Nagase ChemteX Corporation Sakai Factory was closed effective March 31, 2025.
2. Nagase Viita Co., Ltd. Fujita Plant became Nagase ChemteX Corporation Okayama Plant effective April 1, 2025.

(13) Status of employees (As of March 31, 2025)

a) Status of the corporate group employees

Business Segment	Number of employees
Functional Materials	904
Advanced Materials & Processing	1,151
Electronics & Energy	1,514
Mobility	335
Life & Healthcare	2,423
Others	339
Company-wide (common)	818
Total	7,484

Notes:

1. The number of employees indicates the number of persons employed.
2. The number of employees indicated as “Company-wide (common)” refers to employees who are assigned to management divisions that cannot be categorized in a particular business segment.

b) Status of the Company's employees

Number of employees	Change from the end of the previous fiscal year	Average age	Average length of service
948	-27	41.3	14.8 years

Notes:

1. The number of employees indicates the number of persons employed.
2. The number of employees exclude employees who are seconded from the Company and include employees who are seconded to the Company.

(14) Main lenders and loan amounts (As of March 31, 2025)

Lenders	Loan amounts
Sumitomo Mitsui Banking Corporation	31,913 million yen
MUFG Bank, Ltd.	18,477 million yen
Mizuho Bank, Ltd.	10,748 million yen

Note: Amounts of less than one million yen are rounded down to the nearest one million yen.

(15) Other significant matters relating to the current state of the corporate group

No applicable information.

2. Matters relating to the Company's shares (As of March 31, 2025)

(1) Total number of shares authorized 346,980,000

(2) Total number of shares issued 114,908,285

(3) Number of shareholders 32,696

(4) Principal shareholders (top 10)

Principal shareholders	Number of shares held (thousand shares)	Holdings percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,682	12.6
Custody Bank of Japan, Ltd. (Trust Account)	6,964	6.4
NAGASE & CO., LTD. Own Share Investment Association	3,847	3.5
Nippon Life Insurance Company	3,589	3.3
Sumitomo Mitsui Trust Bank, Limited	3,350	3.1
Reiko Nagase	3,281	3.0
Sumitomo Mitsui Banking Corporation	2,918	2.7
Nagase Shunzo Co., Ltd.	2,688	2.5
STATE STREET BANK AND TRUST COMPANY 505001	2,528	2.3
CGML PB CLIENT ACCOUNT/COLLATERAL	2,223	2.0

Notes:

1. The Company holds 6,160,822 shares of treasury stock, and holdings percentages are calculated with the treasury stock excluded.
2. Quantities of less than one thousand shares are rounded down.

(5) Status of shares issued to the Company's Directors as consideration for the execution of duties during the current fiscal year

No applicable information.

(6) Other significant matters relating to shares

Treasury stock canceled based on a resolution made at the Board of Directors meeting held on May 8, 2024

- | | |
|---|--|
| (i) Class and number of shares canceled | 3,000,000 shares of common shares of the Company
(2.54% of the total number of issued shares before the cancellation) |
| (ii) Date of the cancellation | May 31, 2024 |

In addition, the Company decided on the cancellation of treasury stock at the Board of Directors meeting held on May 8, 2025 as follows.

- | | |
|---|--|
| (i) Class and number of shares to be canceled | 5,000,000 shares of common shares of the Company
(4.35% of the total number of issued shares before the cancellation) |
| (ii) Date of the cancellation | May 30, 2025 |

3. Matters relating to officers

(1) Status of the Company officers (As of March 31, 2025)

Position	Name	Areas of responsibility or profession	Significant concurrent positions outside the Company
Representative Director and Chairman	Kenji Asakura		Outside Director of Japan Tobacco Inc.
Representative Director and President	Hiroyuki Ueshima		
Representative Director	Masaya Ikemoto	In charge of Corporate Administration	
Director	Masatoshi Kamada	In charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea)	
Director	Tamotsu Isobe	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area	
Director, Senior Advisor	Hiroshi Nagase		
Director	Ritsuko Nonomiya		Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. External Director of Shiseido Company, Limited
Director	Noriaki Horikiri		Representative Director and Chairman of Kikkoman Corporation
Director	Toshiaki Mikoshiba		
Full-time Audit & Supervisory Board Member	Masanori Furukawa		
Full-time Audit & Supervisory Board Member	Akira Takami		
Full-time Audit & Supervisory Board Member	Masaya Ishida		
Audit & Supervisory Board Member	Gan Matsui	Attorney	External Director and Audit and Supervisory Committee Member of Orient Corporation Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD. Outside Director and Audit and Supervisory Committee Member of GLOBERIDE, Inc. Outside Director of Dentsu Group Inc. Attorney of Yaesu Sogo Law Office

Notes:

1. Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba are outside Directors and are independent officers pursuant to the regulations of financial instruments exchanges.
2. Full-time Audit & Supervisory Board Member Masaya Ishida and Audit & Supervisory Board Member Gan Matsui are outside Audit & Supervisory Board Members and are independent officers pursuant to the regulations of financial instruments exchanges.
3. Full-time Audit & Supervisory Board Member Masanori Furukawa and Akira Takami have many years of experience engaged in the finance and accounting departments of the Company and possess considerable knowledge regarding finance and accounting.
4. Full-time Audit & Supervisory Board Member Masaya Ishida has many years of experience in financial institutions and possesses considerable knowledge regarding finance and accounting.
5. Audit & Supervisory Board Member Gan Matsui has many years of experience in the legal field as an attorney and possesses considerable knowledge regarding compliance and governance.
6. The Company has adopted an executive officer system, and Directors Hiroyuki Ueshima, Masaya Ikemoto, Masatoshi Kamada, and Tamotsu Isobe are also executive officers.
7. Changes in Directors and Audit & Supervisory Board Members during the fiscal year

(1) Appointments

At the 109th Annual Shareholders' Meeting held on June 21, 2024, Tamotsu Isobe and Masaya Ishida were newly elected and appointed as Director and Audit & Supervisory Board Member, respectively.

(2) Retirements

Audit & Supervisory Board Member Nobuyuki Shirafuji retired from office due to the expiration of his term of office effective as of the conclusion of the 109th Annual Shareholders' Meeting held on June 21, 2024.

(3) Changes in status or areas of responsibility of Directors during the fiscal year

The areas of responsibility of Directors as of April 1, 2024 were as set forth below.

Position	Name	New	Old
Representative Director	Masaya Ikemoto	In charge of Corporate Administration	In charge of Corporate Administration, Business Development, and Europe and Americas
Director	Masatoshi Kamada	In charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea)	In charge of Sales & Marketing, and Asia

<Reference>

1. The areas of responsibility of Directors as of April 1, 2025 were as set forth below.

Position	Name	New	Old
Director	Tamotsu Isobe	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept.	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area

Directors with executive titles as of April 1, 2025 were as set forth below.

Name	New	Old
Masaya Ikemoto	Representative Director, Executive Vice President	Representative Director, Senior Managing Executive Officer

2. Status of Executive Officers (except for Executive Officers who are also Directors)

Executive Officers were elected on April 1, 2025, and their areas of responsibility were as set forth below.

Status	Name	Areas of responsibility
Executive Officer	Koichi Sagawa	Greater China CEO
Executive Officer	Noriyoshi Yamaoka	In charge of Nagase Business Expert Co., Ltd. and Manager of Nagoya Branch Office
Executive Officer	Yoshihisa Shimizu	In charge of Corporate Administration
Executive Officer	Xiaoli Liu	General Manager of Nagase Bio-Innovation Center
Executive Officer	Kentaro Nagase	Europe CEO
Executive Officer	Kazuhiro Hanba	General Manager of Corporate Management Dept.
Executive Officer	Toshio Wakuda	General Manager of Human Resources & General Affairs Dept.
Executive Officer	Natsuki Imamura	General Manager of Risk Management Dept. and General Manager of ICT Planning Div.
Executive Officer	Hironao Makise	In charge of New Company in Diagnostics Business
Executive Officer	Ryuhei Tashima	General Manager of Advanced Functional Materials Dept.
Executive Officer	Kenji Okino	General Manager of Life & Healthcare Products Dept.
Executive Officer	Kenichi Kurimoto	General Manager of Speciality Chemicals Dept. and in charge of Osaka Area
Executive Officer	Daiji Matsuoka	General Manager of Mobility Solutions Dept.

(2) Summary of limiting liability agreement

Pursuant to the Articles of Incorporation, the Company has entered into agreements with outside Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba and outside Audit & Supervisory Board Members Masaya Ishida and Gan Matsui, limiting liability to the Company for damage specified in Article 423, paragraph (1) of the Companies Act. A summary of the agreement is as follows:

If the Company incurs damage as a result of the failure of outside officers to perform their duties, as long as the outside officers performed their duties in good faith and without gross negligence, the liability for damage that the outside officers shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.

(3) Summary of directors and officers liability insurance contract

The Company's Directors, Executive Officers and Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. Covered insurance events are third-party lawsuits, shareholder lawsuits, corporate lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained.

(4) Compensation to Directors and Audit & Supervisory Board Members for the fiscal year

a) Total compensation paid to Directors and Audit & Supervisory Board Members

(Millions of yen)

Status		Number	Total amount of compensation	Breakdown		
				Fixed compensation	Performance-linked compensation, etc.	Performance-linked compensation, etc. (non-monetary comp.)
Director	Inside Director	6	440	180	229	30
	Outside Director	3	40	40	-	-
	Total	9	481	221	229	30
Audit & Supervisory Board Member	Inside Audit & Supervisory Board Member	2	50	50	-	-
	Outside Audit & Supervisory Board Member	3	34	34	-	-
	Total	5	84	84	-	-

Notes:

1. Included in the above is 75 million yen in total compensation paid to the six outside officers.
2. The total compensation paid to Directors indicated above includes 249 million yen which is reported as an expense of provisions during the fiscal year.
3. In addition to the above, 25 million yen in employee salaries was paid to Directors who also serve as employees.
4. The amount of compensation indicated above includes compensation paid to one Audit & Supervisory Board Member who retired effective as of the conclusion of the 109th Annual Shareholders' Meeting held on June 21, 2024.

b) Matters relating to performance-linked compensation

As an index for performance-linked compensation, the Company has selected profit attributable to owners of the parent (i.e. final profit) to provide an incentive that can improve performance and ROE to provide an incentive that can enhance capital efficiency. Regarding calculation method of performance-linked compensation, the base amount of performance-linked compensation based on profit attributable to owners of the parent, is determined first based on consolidated performance forecasts at the beginning of year. Then, the base amount is multiplied by the ratio of the current year's profit attributable to owners of the parent against the previous year's actual profit attributable to owners of the parent and by the rate of achieving the consolidated performance forecasts at the beginning of year. Finally, the resulting amount is adjusted through the assessments of each officer. The current fiscal year's actual profit attributable to owners of the parent was 25.5 billion yen. For the calculation of performance-linked compensation based on ROE, the degree of achieving annual goals that are set each year to attain the final target value under the Medium-term Management Plan is used. The ROE result for the fiscal year is 6.4%. To strengthen the link between sustainability-related initiatives and director compensation, we have added sustainability-related indicators to performance-linked indicators since fiscal 2024.

- c) Matters relating to the resolutions of shareholders' meetings on compensation, etc., paid to Directors and Audit & Supervisory Board Members

The upper limit of Director compensation was decided to be 600 million yen per year (60 million yen per year for outside Directors) by the resolution of the Annual Shareholders' Meeting held on June 20, 2022 (however, employee salaries paid to Directors who also serve as employees are not included). The number of Directors at the conclusion of this Shareholders' Meeting was nine (including three outside Directors).

In addition, separately from the above, the introduction of a performance-linked, stock-based compensation system for Directors (excluding Outside Directors) with a trust period of four (4) years and maximum amount of monies contributed during the period of 280 million yen was resolved by the Annual Shareholders' Meeting held on June 20, 2022. The number of Directors (excluding Outside Directors) at the conclusion of this Shareholders' Meeting was six.

The upper limit of Audit & Supervisory Board member compensation was decided to be 100 million yen per year by the resolution of the Annual Shareholders' Meeting held on June 21, 2019. The number of Audit & Supervisory Board members at the conclusion of this Shareholders' Meeting was four.

- d) Matters relating to the policy of determining the details of compensation, etc., paid to each Director

The Company has established a policy on officer compensation amounts and the calculation method after having proposed such for consideration at a meeting of the Compensation Committee, in which the majority of members are outside Directors, and then had it deliberated on at a Board of Directors meeting. As a basic policy, the ratios of fixed compensation (monetary component), performance-linked compensation (monetary) and performance-linked compensation (non-monetary) will be 50–70%, 25–40%, and 5–10% (when the performance targets are achieved 100%), respectively, depending on the position of each officer so that the Company can provide officer compensation that suits the scope of roles and responsibility for each position considering objective external data, business conditions, etc., and that it serves as motivation to sustainably enhance the Company's corporate value. Compensation paid to outside Directors and outside Audit & Supervisory Board members includes solely base compensation, which is fixed compensation in consideration of the details of their duties.

In addition, the annual amount of fixed compensation will be divided into 12 months and paid, while the monetary component of performance-linked compensation will be paid all at once at the end of June, as a basic policy. Further, the policy provides that, as non-monetary compensation which is paid under the performance-linked, stock-based compensation system, shares corresponding to the number of points granted in accordance with the position of each officer and the degree of achievement of the performance targets will be delivered upon retirement from office through a trust established by the Company.

- e) Matters relating to the entrustment of determination of the details of compensation, etc., paid to each Director

Regarding compensation paid to each Director, the Board of Directors has appointed Hiroyuki Ueshima, Representative Director and President, to make the final decision, considering that the validity of the compensation system, levels, etc., has been discussed by the Compensation Committee in which the majority of members are outside Directors. The said authority entrusted to the Representative Director and President is the assessment of performance-linked compensation (monetary) of each Director based on his or her work performance, etc. The reason for entrusting such authority is that the Representative Director and President is considered the most suitable person to overlook the Company's overall performance and assess each Director's work performance. The Board of Directors has proposed the original plan for consideration at a meeting of the Compensation Committee and received the Committee's answer so that the said authority can be exercised appropriately by the Representative Director and President. The Company considers that the compensation determination policy has been complied with. Compensation paid to each Audit & Supervisory Board member is determined through discussions held by the Audit & Supervisory Board members.

(5) Matters relating to outside officers

a) Significant concurrent positions and relationship with the Company

Status	Name	Significant concurrent positions outside the Company	Special relationship with the Company
Outside Director	Ritsuko Nonomiya	Representative Director and CEO of Houlihan Lokey Japan Co., Ltd.	The Company receives outsourcing services.
		External Director of Shiseido Company, Limited	The Company sells products.
Outside Director	Noriaki Horikiri	Representative Director and Chairman of Kikkoman Corporation	The Company sells products.
Outside Director	Toshiaki Mikoshiba		
Outside Audit & Supervisory Board Member	Masaya Ishida		
Outside Audit & Supervisory Board Member	Gan Matsui	External Director and Audit and Supervisory Committee Member of Orient Corporation	No special relationship
		Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD.	No special relationship
		Outside Director and Audit and Supervisory Committee Member of GLOBERIDE, Inc.	The Company sells products.
		Outside Director of Dentsu Group Inc.	The Company engages in research-related transactions.
		Attorney of Yaesu Sogo Law Office	No special relationship

b) Relatives of managing members or officers (who are not managing members) of the Company or trading partners that have special-interest businesses

No applicable information.

c) Main business activities during the fiscal year

Status	Name	Main business activities
Outside Director	Ritsuko Nonomiya	She attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, etc., she gave advice focusing on the Company's overall management from a perspective of advanced knowledge of finance and accounting and familiarity with M&A and business development.
	Noriaki Horikiri	He attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc., he gave advice focusing on the Company's overall management including overseas development and manufacturing activities from a perspective of familiarity with manufacturing industries.
	Toshiaki Mikoshiba	He attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc., he gave advice focusing on the Company's overall management including overseas development and sales activities from a perspective of familiarity with manufacturing industries.
Outside Audit & Supervisory Board Member	Masaya Ishida	He attended 13 of 13 Board of Directors meetings held after he was appointed as Audit & Supervisory Board Member on June 21, 2024 (attendance rate: 100%), all 13 meetings of the Audit & Supervisory Board held after he was appointed as Audit & Supervisory Board Member on June 21, 2024 (attendance rate: 100%), and presented opinions, gave advice, and made other statements as appropriate based on broad insight by making use of many years of overseas experience in financial institutions.
	Gan Matsui	He attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%) and all 17 meetings of the Audit & Supervisory Board held during the fiscal year (attendance rate: 100%) and presented opinions, gave advice, and made other statements as appropriate from a professional perspective as an attorney.

Note: The number of Board of Directors meetings noted above does not include resolutions made in writing.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2025)

(Amounts of less than one million yen are rounded down.)

ASSETS	Amount
	(Millions of yen)
Current assets	560,126
Cash and time deposits	66,310
Notes and accounts receivable and contract assets	311,251
Merchandise and finished goods	146,834
Work in process	2,320
Raw materials and supplies	17,068
Other	17,387
Less allowance for doubtful accounts	(1,048)
Non-current assets	248,017
Property, plant and equipment	91,671
Buildings and structures	26,757
Machinery, equipment and vehicles	17,770
Land	20,114
Other	27,028
Intangible fixed assets	65,811
Goodwill	25,400
Technology-based assets	1,289
Other	39,121
Investments and other assets	90,534
Investments in securities	72,028
Long-term loans receivable	1,257
Retirement benefit asset	6,072
Deferred tax assets	5,700
Other	6,653
Less allowance for doubtful accounts	(1,179)
Total assets	808,143

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	269,576
Notes and accounts payable	151,269
Short-term loans	42,310
Current portion of long-term loans	6,039
Commercial paper	19,500
Income taxes payable	3,753
Accrued bonuses for employees	8,518
Accrued bonuses for directors	394
Other	37,791
Long-term liabilities	132,106
Bonds	40,000
Long-term loans	53,454
Lease liabilities	11,471
Long-term income taxes payable	22
Deferred tax liabilities	13,275
Retirement benefit liability	12,289
Provision for directors' stock benefit	111
Other	1,481
Total liabilities	401,683
NET ASSETS	
Shareholders' equity	311,712
Common stock	9,699
Capital surplus	9,348
Retained earnings	312,244
Less treasury stock, at cost	(19,579)
Accumulated other comprehensive income	87,340
Net unrealized holding gain on securities	30,665
Deferred gain on hedges	6
Translation adjustments	56,864
Remeasurements of defined benefit plans	(196)
Non-controlling interests	7,406
Total net assets	406,459
Total liabilities and net assets	808,143

Consolidated Statement of Income (April 1, 2024 – March 31, 2025)

(Amounts of less than one million yen are rounded down.)

Amount	
	(Millions of yen)
Net sales	944,961
Cost of sales	763,670
Gross profit	181,291
Selling, general and administrative expenses	142,212
Operating income	39,078
Non-operating income	
Interest income	1,047
Dividend income	1,941
Rent income	311
Equity in earnings of affiliates	979
Other	489
Non-operating expenses	
Interest expenses	3,734
Foreign exchange losses	492
Other	1,239
Ordinary income	38,382
Extraordinary gains	
Gain on sales of non-current assets	2,159
Gain on sales of investment securities	2,792
Gain on liquidation of subsidiaries and affiliates	74
Subsidy income	258
Other	8
Extraordinary losses	
Loss on sales of non-current assets	388
Loss on disposal of non-current assets	575
Loss on impairment of fixed assets	1,173
Loss on sales of investment securities	19
Loss on valuation of investment securities	1,234
Loss on sales of investments in capital of subsidiaries and affiliates	108
Loss on discontinued operations	2,048
Income before income taxes	38,130
Income taxes - current	10,958
Income taxes - deferred	901
Profit for the period	26,270
Profit attributable to non-controlling interests	748
Profit attributable to owners of the parent	25,521

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (As of March 31, 2025)

(Amounts of less than one million yen are rounded down.)

ASSETS	Amount
	(Millions of yen)
Current assets	285,312
Cash and time deposits	16,323
Notes receivable	1,220
Electronically recorded monetary claims - operating	17,461
Accounts receivable	166,153
Merchandise	27,013
Goods in transit	3,303
Short-term loans receivable from subsidiaries and affiliates	51,611
Other	9,322
Less allowance for doubtful accounts	(7,096)
Non-current assets	207,968
Property, plant and equipment	18,978
Buildings	3,729
Structures	26
Machinery and equipment	841
Tools, furniture and fixtures	1,744
Land	8,466
Other	4,169
Intangible fixed assets	5,771
Software	5,425
Other	346
Investments and other assets	183,218
Investments in securities	58,017
Shares of subsidiaries and affiliates	101,372
Investments in capital of subsidiaries and affiliates	3,794
Long-term loans receivable from subsidiaries and affiliates	12,585
Claims provable in bankruptcy, claims provable in rehabilitation and other	100
Prepaid pension cost	6,388
Other	2,593
Less allowance for doubtful accounts	(1,633)
Total assets	493,281

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	199,728
Electronically recorded obligations - operating	805
Accounts payable	87,373
Short-term loans	30,279
Commercial papers	19,500
Accounts payable - other	5,468
Income taxes payable	108
Deposits received	51,464
Accrued bonuses for employees	2,230
Other	2,497
Long-term liabilities	115,023
Bonds	40,000
Long-term loans	53,000
Long-term income taxes payable	22
Deferred tax liabilities	12,692
Retirement benefit liability	6,256
Provision for loss on guarantees	647
Provision for directors' stock benefit	111
Provision for loss on business of subsidiaries and affiliates	2,201
Other	92
Total liabilities	314,751
NET ASSETS	
Shareholders' equity	148,650
Common stock	9,699
Capital surplus	9,634
Legal capital surplus	9,634
Retained earnings	148,895
Legal retained earnings	2,424
Other	146,470
Reserve for reduction entry	2,590
Reserve for purchase of specific shares	68
General reserve	95,510
Retained earnings brought forward	48,301
Less treasury stock, at cost	(19,579)
Valuation and translation adjustments	29,879
Net unrealized holding gain on securities	29,875
Deferred gain on hedges	4
Total net assets	178,529
Liabilities and net assets	493,281

Non-Consolidated Statements of Income (April 1, 2024 – March 31, 2025)

(Amounts of less than one million yen are rounded down.)

Amount	
	(Millions of yen)
Net sales	289,571
Cost of sales	247,097
Gross profit	42,474
Selling, general and administrative expenses	37,225
Operating income	5,249
Non-operating income	
Interest income	2,848
Dividend income	11,624
Rent income	694
Foreign exchange gains	502
Other	1,697
	17,367
Non-operating expenses	
Interest expenses	3,464
Amortization of bond issuance costs	104
Cost of rent revenue	419
Other	1,115
	5,104
Ordinary income	17,512
Extraordinary gains	
Gain on sales of non-current assets	1,828
Gain on sales of investment securities	2,790
Gain on sales of investments in capital of subsidiaries and affiliates	18
	4,637
Extraordinary losses	
Loss on sales of non-current assets	146
Loss on disposal of non-current assets	345
Loss on sales of investment securities	18
Loss on valuation of investment securities	1,227
Loss on sales of shares of subsidiaries and affiliates	0
Provision of allowance for doubtful accounts for subsidiaries and affiliates	736
Provision for loss on business of subsidiaries and affiliates	1,859
Provision for loss on guarantees	55
	4,387
Income before income taxes	17,762
Income taxes - current	1,953
Income taxes - deferred	1,572
	3,526
Profit for the period	14,236