

This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities identification code: 8012

June 2, 2026

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 111TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 111th 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)

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 16, 2026 after considering the following Reference Documents for the Annual Shareholders' Meeting.

Meeting Details

1. **Date and time:** Wednesday, June 17, 2026 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 111th Term (from April 1, 2025 to March 31, 2026), 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 111th Term (from April 1, 2025 to March 31, 2026)

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

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 the paper-based documents delivered to shareholders who have requested the delivery of paper-based documents.

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, they will be announced 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 55 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

55 yen per common share of the Company

Total amount of dividends: 5,647,847,315 yen

(3) Effective date of distribution of dividends of surplus

June 18, 2026

Note: The Company conducted a share split at a ratio of 4 shares for every one common share, with an effective date of April 1, 2026. For the year-end dividend for the 111th Term (fiscal year ended March 31, 2026), the record date for dividends is March 31, 2026. Therefore, the dividend will be paid based on the number of shares before the share split.

[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	4,117,300 shares of common shares
Total value of acquisition value	11,999,774,050 yen
Acquisition period	From May 9, 2025 to October 2, 2025
Acquisition method	Purchased on the market

Total class and number of shares acquired	2,124,100 shares of common shares
Total value of acquisition value	7,999,981,700 yen
Acquisition period	From December 8, 2025 to January 19, 2026
Acquisition method	Purchased on the market, including through an off-auction share repurchase transaction (ToSTNeT-3)

Total class and number of shares acquired	648,100 shares of common shares
Total value of acquisition value	2,999,668,700 yen
Acquisition period	From February 6, 2026 to March 24, 2026
Acquisition method	Purchased on the market

• Cancellation of treasury stock

Class and number of shares 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

- (3) Shareholder returns policy under the new Medium-term Management Plan Walk the Talk 2028 (from fiscal 2026 to fiscal 2028)

The Company positions the enhancement of value for its shareholders as an important management issue, and has established continuously increasing dividends and flexible repurchases of treasury stock as its shareholder returns policy.

Under the new Medium-term Management Plan, the Company will seek to expand its business foundation and improve its earning power through the steady implementation of measures and the promotion of growth investments, and will aim to achieve sustainable improvement in earnings per share. Specifically, the Company uses 30% growth in EPS (profit per share) over the three-year period as a guideline.

With respect to repurchases of treasury stock, the Company will seek to achieve ROE of 9%, as set forth in the new Medium-term Management Plan, and enhance shareholder value by implementing such repurchases flexibly, while taking into account the balance with opportunities for growth investments and financial soundness, as well as capital cost and share price levels.

Proposal 2: Election of nine (9) Directors

The terms of office of all Directors will expire at the conclusion of this meeting. Of these, Masatoshi Kamada 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 four 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, 2026)	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	Tamotsu Isobe [Reelection] [Inside Director]	Male	Director, Executive Officer	17 out of 17 (100%)	0
4	Yoshihisa Shimizu [Reelection] [Inside Director]	Male	Director, Executive Officer	14 out of 14 (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	16 out of 17 (94%)	2
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	Eriko Sakurai [New election] [Outside Director] [Independent officer]	Female	(New election)	-	3


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 Yoshihisa Shimizu 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.
3. Of the three concurrent positions Ms. Eriko Sakurai holds at other listed companies, she is scheduled to retire from her position as Outside Director of Astellas Pharma Inc. in June 2026.


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company												
1	<p data-bbox="304 259 564 286">[Inside Director] [Reelection]</p>  <p data-bbox="339 517 528 573">Kenji Asakura (December 11, 1955)</p> <p data-bbox="288 591 579 640">Length of service: 13 years (as of conclusion of this meeting)</p> <p data-bbox="288 656 579 728">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="288 743 579 792">Number of the Company's shares held: 143,050</p>	<table data-bbox="611 259 1399 591"> <tr> <td data-bbox="611 259 751 293">April 1978</td> <td data-bbox="780 259 983 293">Joined the Company</td> </tr> <tr> <td data-bbox="611 309 751 342">October 2006</td> <td data-bbox="780 309 1254 342">General Manager of Automotive Solutions Dept.</td> </tr> <tr> <td data-bbox="611 358 751 392">April 2009</td> <td data-bbox="780 358 1318 414">Executive Officer and General Manager of Automotive Solutions Dept.</td> </tr> <tr> <td data-bbox="611 430 751 463">June 2013</td> <td data-bbox="780 430 1046 463">Director, Executive Officer</td> </tr> <tr> <td data-bbox="611 479 751 512">April 2015</td> <td data-bbox="780 479 1211 512">Representative Director, President and CEO</td> </tr> <tr> <td data-bbox="611 528 751 562">April 2023</td> <td data-bbox="780 528 1297 562">Representative Director, Chairman (present position)</td> </tr> </table> <hr/> <p data-bbox="611 607 1150 640">[Significant concurrent positions outside the Company]</p> <p data-bbox="611 651 991 685">Outside Director of Japan Tobacco Inc.</p> <hr/> <p data-bbox="611 696 1114 730">Reason for nomination as candidate for Director</p> <p data-bbox="635 730 1399 909">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>	April 1978	Joined the Company	October 2006	General Manager of Automotive Solutions Dept.	April 2009	Executive Officer and General Manager of Automotive Solutions Dept.	June 2013	Director, Executive Officer	April 2015	Representative Director, President and CEO	April 2023	Representative Director, Chairman (present position)
April 1978	Joined the Company													
October 2006	General Manager of Automotive Solutions Dept.													
April 2009	Executive Officer and General Manager of Automotive Solutions Dept.													
June 2013	Director, Executive Officer													
April 2015	Representative Director, President and CEO													
April 2023	Representative Director, Chairman (present position)													


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
2	<p data-bbox="304 259 563 286">[Inside Director] [Reelection]</p>  <p data-bbox="328 517 539 573">Hiroyuki Ueshima (November 5, 1965)</p> <p data-bbox="280 591 587 640">Length of service: Four years (as of conclusion of this meeting)</p> <p data-bbox="292 656 576 728">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="288 743 579 792">Number of the Company's shares held: 114,901</p>	<p data-bbox="611 266 715 293">April 1988</p> <p data-bbox="611 311 715 338">April 2015</p> <p data-bbox="611 356 715 383">April 2017</p> <p data-bbox="611 430 743 456">October 2017</p> <p data-bbox="611 504 715 530">June 2022</p> <p data-bbox="611 548 715 575">April 2023</p>	<p data-bbox="775 266 979 293">Joined the Company</p> <p data-bbox="775 311 1219 338">General Manager of Corporate Planning Div.</p> <p data-bbox="775 356 1390 412">Executive Officer and General Manager of Corporate Planning Div.</p> <p data-bbox="775 430 1315 486">Executive Officer and General Manager of Automotive Solutions Dept.</p> <p data-bbox="775 504 1043 530">Director, Executive Officer</p> <p data-bbox="775 548 1385 575">Representative Director, President and CEO (present position)</p>
		[Significant concurrent positions outside the Company]	None
		Reason for nomination as candidate for Director	<p data-bbox="632 757 1398 1133">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 executed the previous Medium-term Management Plan ACE 2.0 and driven improvement of the corporate value of the Company. He is considered the most qualified person who can show leadership towards promoting the Medium-term Management Plan Walk the Talk 2028, 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.</p>


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
3	<p data-bbox="304 259 564 286">[Inside Director] [Reelection]</p>  <p data-bbox="347 517 520 573">Tamotsu Isobe (April 2, 1967)</p> <p data-bbox="280 589 588 638">Length of service: Two years (as of conclusion of this meeting)</p> <p data-bbox="288 654 580 725">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="288 741 580 790">Number of the Company's shares held: 37,359</p>	<p data-bbox="612 264 719 291">April 1992</p> <p data-bbox="612 309 719 336">April 2017</p> <p data-bbox="612 353 719 380">April 2023</p> <p data-bbox="612 427 719 454">June 2024</p> <p data-bbox="612 472 719 499">April 2026</p>	<p data-bbox="775 264 983 291">Joined the Company</p> <p data-bbox="775 309 1273 336">General Manager of Performance Chemicals Dept.</p> <p data-bbox="775 353 1326 412">Executive Officer and General Manager of Performance Chemicals Dept.</p> <p data-bbox="775 427 1046 454">Director, Executive Officer</p> <p data-bbox="775 472 1385 595">Director, Executive Officer, in charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept., Americas CEO (present position)</p>
		[Significant concurrent positions outside the Company]	None
		Reason for nomination as candidate for Director	<p data-bbox="632 775 1390 958">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.</p>


No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
4	<p data-bbox="304 264 564 293">[Inside Director] [Reelection]</p>  <p data-bbox="325 521 542 580">Yoshihisa Shimizu (September 14, 1964)</p> <p data-bbox="288 598 584 656">Length of service: One year (as of conclusion of this meeting)</p> <p data-bbox="288 678 584 768">Attendance of Board of Directors meetings: 14 out of 14 Board of Directors meetings (100%)</p> <p data-bbox="288 786 584 831">Number of the Company's shares held: 21,989</p>	<p data-bbox="611 271 991 300">April 1987 Joined the Company</p> <p data-bbox="611 315 1273 344">April 2014 General Manager of Information Technology Div.</p> <p data-bbox="611 360 1313 418">April 2020 Executive Officer and General Manager of Finance & Accounting Div.</p> <p data-bbox="611 434 1286 492">June 2025 Director, Executive Officer, in charge of Corporate Administration (present position)</p>
		<p data-bbox="611 553 1150 582">[Significant concurrent positions outside the Company]</p> <p data-bbox="611 598 667 627">None</p>
		<p data-bbox="611 642 1114 672">Reason for nomination as candidate for Director</p> <p data-bbox="635 678 1394 920">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.</p>

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
5	<p>[Inside Director] [Reelection]</p>  <p>Hiroshi Nagase (July 18, 1949)</p> <p>Length of service: 37 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: 2,243,328</p>	<p>April 1977 Joined the Company</p> <p>April 1988 General Manager of Plastics Dept. 2</p> <p>June 1989 Director</p> <p>June 1995 Managing Director</p> <p>June 1997 Representative Director, Senior Managing Director</p> <p>June 1999 Representative Director and President</p> <p>June 2001 Representative Director and President and CEO</p> <p>April 2015 Representative Director and Chairman</p> <p>April 2023 Director, Senior Advisor (present position)</p>
		<p>[Significant concurrent positions outside the Company]</p> <p>None</p>
		<p>Reason for nomination as candidate for Director</p> <p>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.</p>

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company																									
6	<p data-bbox="300 259 571 309">[Outside Director] [Reelection] [Independent officer]</p>  <p data-bbox="325 542 545 600">Ritsuko Nonomiya (November 28, 1961)</p> <p data-bbox="287 613 584 663">Length of service: Six years (as of conclusion of this meeting)</p> <p data-bbox="290 676 580 752">Attendance of Board of Directors meetings: 16 out of 17 Board of Directors meetings (94%)</p> <p data-bbox="290 766 580 815">Number of the Company's shares held: 12,762</p>	<p data-bbox="612 259 1394 322">September 1987 Joined Peat, Marwick, Mitchell & Company (currently KPMG LLP)</p> <p data-bbox="612 336 1193 362">April 1997 Partner of KPMG Corporate Finance K.K.</p> <p data-bbox="612 376 1369 430">November 2000 Joined UBS Warburg Japan (currently UBS Securities Japan Co., Ltd.)</p> <p data-bbox="612 443 1347 470">January 2005 M&A Advisor, Managing Director of UBS Warburg Japan</p> <p data-bbox="612 483 1401 537">July 2008 Senior Vice President and Business Development Leader of GE Capital Asia Pacific Ltd.</p> <p data-bbox="612 551 1394 604">April 2013 Senior Executive Officer and Business Development Leader of GE Capital Japan, GE Japan Inc. (currently GE Japan Inc.)</p> <p data-bbox="612 618 1362 672">December 2013 Managing Director of GCA Savvian Corporation (currently GCA Corporation)</p> <p data-bbox="612 685 1069 712">March 2017 Director of GCA Corporation</p> <p data-bbox="612 725 1203 752">June 2020 Director of the Company (present position)</p> <p data-bbox="612 766 1362 819">February 2022 Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. (present position)</p> <p data-bbox="612 833 1337 860">March 2024 Executive Officer of GCA Corporation (present position)</p> <p data-bbox="612 896 1149 922">[Significant concurrent positions outside the Company]</p> <p data-bbox="612 936 1260 963">Representative Director and CEO, Houlihan Lokey Japan Co., Ltd.</p> <p data-bbox="612 976 1062 1003">External Director, Shiseido Company, Limited</p> <p data-bbox="612 1016 1337 1070">Outside Director, Audit & Supervisory Committee Member, Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="612 1084 1353 1137">Reason for nomination as candidate for outside Director, and outline of expected roles</p> <p data-bbox="635 1151 1394 1518">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.</p>																									
<p data-bbox="268 1541 842 1568">Special notes concerning candidate for outside Director</p> <p data-bbox="290 1576 1378 1630">The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</p>																											
<table border="1"> <thead> <tr> <th data-bbox="268 1639 421 1738">Company name</th> <th data-bbox="421 1639 587 1738">Position</th> <th data-bbox="587 1639 740 1738">Transactions</th> <th data-bbox="740 1639 868 1738">Seller</th> <th data-bbox="868 1639 1002 1738">Purchaser</th> <th data-bbox="1002 1639 1129 1738">Ratio of transaction amount</th> <th data-bbox="1129 1639 1394 1738">Compared with</th> </tr> </thead> <tbody> <tr> <td data-bbox="268 1738 421 1845">Shiseido Company, Limited</td> <td data-bbox="421 1738 587 1845">External Director</td> <td data-bbox="587 1738 740 1845">Sale of goods</td> <td data-bbox="740 1738 868 1845">The Company</td> <td data-bbox="868 1738 1002 1845">Shiseido Company, Limited</td> <td data-bbox="1002 1738 1129 1845">Below 0.4%</td> <td data-bbox="1129 1738 1394 1845">Net sales of the Company</td> </tr> <tr> <td data-bbox="268 1845 421 2011">Nippon Yusen Kabushiki Kaisha</td> <td data-bbox="421 1845 587 2011">Outside Director, Audit & Supervisory Committee Member</td> <td data-bbox="587 1845 740 2011">Outsourcing</td> <td data-bbox="740 1845 868 2011">Nippon Yusen Kabushiki Kaisha</td> <td data-bbox="868 1845 1002 2011">The Company</td> <td data-bbox="1002 1845 1129 2011">Below 0.1%</td> <td data-bbox="1129 1845 1394 2011">Sum of cost of sales and selling, general and administrative expenses of the Company</td> </tr> </tbody> </table>							Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with	Shiseido Company, Limited	External Director	Sale of goods	The Company	Shiseido Company, Limited	Below 0.4%	Net sales of the Company	Nippon Yusen Kabushiki Kaisha	Outside Director, Audit & Supervisory Committee Member	Outsourcing	Nippon Yusen Kabushiki Kaisha	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with																					
Shiseido Company, Limited	External Director	Sale of goods	The Company	Shiseido Company, Limited	Below 0.4%	Net sales of the Company																					
Nippon Yusen Kabushiki Kaisha	Outside Director, Audit & Supervisory Committee Member	Outsourcing	Nippon Yusen Kabushiki Kaisha	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company																					

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company				
7	<p>[Outside Director] [Reelection] [Independent officer]</p>  <p>Noriaki Horikiri (September 2, 1951)</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: 13,394</p>	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					
	<p>Reason for nomination as candidate for outside Director, and outline of expected roles</p> <p>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.</p>					
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	<p>[Outside Director] [Reelection] [Independent officer]</p>  <p>Toshiaki Mikoshiba (November 15, 1957)</p> <p>Length of service: Three 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: 4,338</p>	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						
<p>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.</p>						
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 0.2%	Net sales of the Company

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
9	<p>[Outside Director] [New election] [Independent officer]</p>  <p>Eriko Sakurai (November 16, 1960)</p> <p>Number of the Company's shares held: 0</p>	<p>April 1987 Joined Dow Corning Corporation (currently Dow Silicones Corporation)</p> <p>May 2008 Director of Dow Corning Toray Co., Ltd. (currently Dow Toray Co., Ltd.)</p> <p>March 2009 Chairman and CEO, Representative Director</p> <p>May 2011 Regional President Japan/Korea of Dow Corning Corporation (currently Dow Silicones Corporation)</p> <p>June 2018 Chairman and CEO, Representative Director of Dow Toray Co., Ltd.</p> <p>August 2020 President, Representative Director of Dow Chemical Japan Limited</p>
		<p>[Significant concurrent positions outside the Company]</p> <p>Outside Director, Kao Corporation</p> <p>Outside Director, Hitachi, Ltd.</p> <p>Outside Director, Astellas Pharma Inc. (scheduled to retire in June 2026)</p>
		<p>Reason for nomination as candidate for outside Director, and outline of expected roles</p> <p>Eriko Sakurai has been involved in management of Dow Toray Co., Ltd. for many years, has also served as an outside director at many global companies, and possesses advanced knowledge and extensive experience regarding corporate management. She will use this knowledge and experience to make proposals concerning the Company's overall management including its overseas business, marketing, and innovation areas, and is expected to enhance the Group's corporate governance. Accordingly, we request that Ms. Sakurai 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.</p>

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company					
	Special notes concerning candidate for outside Director The Company has the following business relationships with Dow Toray Co., Ltd. and Dow Chemical Japan Limited, where Ms. Sakurai was involved in business execution in the past, as well as with the entity at which the candidate holds a concurrent position.						
	Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
	Dow Toray Co., Ltd.	Former Chairman and CEO, Representative Director	Sale of goods	The Company	Dow Toray Co., Ltd.	Below 0.1%	Net sales of the Company
			Sale of goods	Dow Toray Co., Ltd.	The Company	Below 3.2%	Cost of sales of the Company
	Dow Chemical Japan Limited	Former President, Representative Director	Sale of goods	Dow Chemical Japan Limited	The Company	Below 0.6%	Cost of sales of the Company
	Kao Corporation	Outside Director	Sale of goods	The Company	Kao Corporation	Below 1.4%	Net sales of the Company
			Sale of goods	Kao Corporation	The Company	Below 0.4%	Cost of sales of the Company
	Hitachi, Ltd.	Outside Director	Sale of goods	The Company	Hitachi, Ltd.	Below 0.1%	Net sales of the Company
			Sale of goods	Hitachi, Ltd.	The Company	Below 0.1%	Cost of sales of the Company
	Astellas Pharma Inc.	Outside Director (scheduled to retire in June 2026)	Sale of goods	The Company	Astellas Pharma Inc.	Below 0.1%	Net sales of the Company

Notes:

1. Ritsuko Nonomiya, Noriaki Horikiri, Toshiaki Mikoshiba, and Eriko Sakurai are candidates for outside Director, and have been filed as 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. If Eriko Sakurai, a candidate for new outside Director, is elected, the Company plans to enter into the agreement with her 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. Facts concerning acts in violation of laws and regulations or the Articles of Incorporation or other improper execution of business at another stock company during the period when a candidate for outside Director served as a director, executive officer, or audit & supervisory board member of that other stock company within the past five years

Eriko Sakurai, a candidate for outside Director, served as an outside director of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) until June 2025. SMFG and its subsidiary SMBC Nikko Securities Inc. received an administrative disposition from the Financial Services Agency in October 2022 under the Financial Instruments and Exchange Act in relation to an incident in which former officers and employees of SMBC Nikko Securities Inc. violated Article 159, paragraph (3) (illegal stabilizing transactions) of the Financial Instruments and Exchange Act. In addition, in relation to the same incident, SMBC Nikko Securities Inc. received a guilty judgment from the Tokyo District Court in February 2023, and the judgment became final and binding. Furthermore, in October 2022, SMBC Nikko Securities Inc. received an administrative disposition from the Financial Services Agency under the Financial Instruments and Exchange Act in relation to an incident in which officers and employees of SMBC Nikko Securities Inc. and Sumitomo Mitsui Banking Corporation, a subsidiary of SMFG, exchanged non-public information. In relation to the same incident, SMFG and Sumitomo Mitsui Banking Corporation also received orders to submit reports from the Financial Services Agency under the Financial Instruments and Exchange Act and the Banking Act. Ms. Sakurai was not aware of these incidents. However, as an outside director, she regularly stated the importance of compliance with laws and regulations, ensuring the appropriateness of business operations, risk management, and other matters at meetings of SMFG’s Board of Directors and committees, and made recommendations to ensure that these matters were thoroughly implemented. Even after the incidents came to light, she promoted initiatives to formulate and implement effective measures to prevent recurrence, further strengthen SMFG’s compliance system and internal management system, and foster a sound corporate culture, through deliberations and other activities at meetings of SMFG’s Board of Directors and committees.
6. 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 Yoshihisa Shimizu are the number of meetings since he was elected as Director.
7. Shares of the Company held by each candidate include shares nominally held by NAGASE & CO., LTD. Officer’s Shareholding Association. In addition, as the Company conducted a share split at a ratio of 4 shares for every one common share effective April 1, 2026, the number of shares of the Company held by each candidate is stated as the number of shares after the share split.

[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 account various factors.

(2) Status of cross-shareholdings

		107th term Fiscal 2021	108th term Fiscal 2022	109th term Fiscal 2023	110th term Fiscal 2024	111th term Fiscal 2025
Number of securities (securities)	Listed	85	78	67	67	61
	Non-listed	52	54	53	60	50
	Total	137	132	120	127	111
Total amount on the balance sheet (million yen)	Listed	59,371	54,740	59,736	54,361	67,162
	Non-listed	3,863	2,194	2,024	2,244	2,046
	Total	63,235	56,935	61,761	56,606	69,209
Net assets (million yen)		355,092	378,388	401,315	406,460	434,025
Ratio of listed stock to net assets		16.7%	14.5%	14.9%	13.4%	15.5%
Ratio to net assets		17.8%	15.0%	15.4%	13.9%	15.9%

During fiscal 2025, the Company sold 13 securities worth 4.3 billion yen.^(Note 1) The securities newly acquired as cross-shareholdings are three non-listed securities worth 651 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 Gan Matsui, 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	
[Outside Audit & Supervisory Board Member] [Reelection] [Independent officer]  Gan Matsui (December 13, 1953) Length of service: Eight years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%) Attendance of Board of Audit & Supervisory meetings: 18 out of 18 Board of Audit & Supervisory meetings (100%) Number of the Company's shares held: 16,000	April 1980	Prosecutor, Tokyo District Public Prosecutors Office
	April 1990	Prosecutor Tokyo District Public Prosecutors Office (Special Investigative Squad)
	January 2005	Director, Special Trial Department, Tokyo District Public Prosecutors Office
	October 2010	Assistant Public Prosecutor, Osaka High Public Prosecutors Office
	June 2012	Chief, Criminal Investigations, Supreme Public Prosecutors Office
	January 2014	Chief Prosecutor, Yokohama District Public Prosecutors Office
	January 2015	Superintending Prosecutor, Fukuoka High Public Prosecutors Office
	November 2016	Japan Federation of Bar Associations (Member, Tokyo Bar Association) Yaesu Sogo Law Office (currently Shin Marunouchi Law Firm) (present position)
	June 2018	Audit & Supervisory Board Member of the Company (present position)
	[Significant concurrent positions outside the Company]	
	External Director and Audit and Supervisory Committee Member, Orient Corporation	
	Outside Audit & Supervisory Board Member, Totetsu Kogyo Co., Ltd.	
	Outside Director and Audit & Supervisory Board Member, GLOBERIDE, Inc.	
	Outside Director, Dentsu Group Inc.	
	Attorney, Shin Marunouchi Law Firm	
	Reason for nomination as candidate for Audit & Supervisory Board Member Gan Matsui does not have direct managerial experience, but he has extensive experience in the legal field and possesses considerable knowledge regarding compliance and governance, and has fully fulfilled his duties as an outside Audit & Supervisory Board Member of the Company in the past, and consequently, we determined that he will properly perform his duties as outside Audit & Supervisory Board Member, and we request his election.	

Special notes concerning candidate for 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
GLOBERIDE, Inc.	Outside Director and Audit & Supervisory Board Member	Sale of goods	The Company	GLOBERIDE, Inc.	Below 0.1%	Net sales of the Company
Dentsu Group Inc.	Outside Director	Research-related transactions	Dentsu Group Inc.	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company

Notes:

1. There are no special interests between Gan Matsui and the Company.
2. Gan Matsui is a candidate for outside Audit & Supervisory Board Member and has been filed as independent officer pursuant to the regulations of financial instruments exchanges.
3. Agreement limiting liability

Pursuant to the Articles of Incorporation, the Company has entered into an agreement with outside Audit & Supervisory Board Member Gan Matsui, 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 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 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.

5. As the Company conducted a share split at a ratio of 4 shares for every one common share effective April 1, 2026, the number of shares of the Company held by Gan Matsui is stated as the number of shares after the share split.

[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 Tamotsu Isobe	✓	✓	✓	✓	✓			✓	✓	✓
Director Yoshihisa Shimizu	✓					✓	✓	✓	✓	✓
Director, Senior Advisor Hiroshi Nagase	✓							✓	✓	
Outside Director Ritsuko Nonomiya	✓	✓				✓	✓	✓	✓	
Outside Director Noriaki Horikiri	✓	✓		✓	✓		✓	✓	✓	
Outside Director Toshiaki Mikoshiba	✓	✓	✓		✓		✓	✓	✓	
Outside Director Eriko Sakurai	✓	✓	✓				✓	✓	✓	✓
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 April 1988 July 1991 July 1998 July 2003 July 2005 July 2009 July 2010 July 2012 June 2013 October 2014	Joined Tokyo Regional Taxation Bureau Primary Investigator, Special Investigative Squad, Tokyo District Public Prosecutors Office Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency Senior Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency District Director, Shibuya Tax Office Chief Investigator, Criminal Investigation Department, Tokyo Regional Taxation Bureau Chief Internal Inspector, Osaka Regional Taxation Bureau Chief Internal Inspector, National Tax Agency Assistant Regional Commissioner (Planning and Administration), Nagoya Regional Taxation Bureau Regional Commissioner, Takamatsu Regional Taxation Bureau 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						
<p>Reason for nomination as candidate for substitute outside Audit & Supervisory Board Member</p> <p>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.</p>						
<p>Special notes concerning candidate for substitute outside Audit & Supervisory Board Member</p> <p>The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</p>						
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.

Business Report (April 1, 2025 to March 31, 2026)

1. NAGASE Group business conditions

(1) Development and results of business operations

The Group's earnings during the current fiscal year were as below.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Year on year	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Gross profit	173,301	187,687	14,386	8.3%
Operating income	39,078	44,727	5,649	14.5%
Ordinary income	38,382	44,096	5,713	14.9%
Profit attributable to owners of the parent	25,521	33,119	7,597	29.8%

- In terms of performance in the current fiscal year, all profit stages increased despite a stronger yen.
- Gross profit increased mainly due to an increase in net sales and improved profitability at some manufacturing subsidiaries.
- Operating income increased due to an increase in gross profit, despite factors such as an increase in retirement benefit expenses related to the amortization of actuarial differences in general and administrative expenses. For details, see Overview by Segment.
- Profit attributable to owners of the parent increased by ¥7.5 billion to ¥33.1 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. This increase was mainly due to higher operating income, recording gain on bargain purchase, and higher gain on sales of investment securities.

Overview by Segment

The following describes performance by segment.

The comparative analysis of gross profit in the Life & Healthcare segment reflects the retrospective application of a change in accounting policy for the previous fiscal year.

<Functional Materials>

Gross profit

32.2 billion yen (down 0.8% from the previous fiscal year)

Gross profit remained flat mainly due to the following factors.

- Sales of coating materials decreased due to lower demand in automotive and architectural applications
- Sales increased for raw materials for semiconductor materials

Operating income increased due to a decrease in general and administrative expenses.

<Advanced Materials & Processing>

Gross profit

27.5 billion yen (up 5.2% from the previous fiscal year)

Gross profit increased mainly due to the following factors.

- Although sales decreased for resins used in the electrical and electronics industry, including office automation equipment, profit margin improved as a result of product mix optimization
- Nagase RooTAC Industries, Inc. increased sales of industrial hoses and civil engineering pipes

Operating income increased due to an increase in gross profit.

<Electronics & Energy>

Gross profit

45.3 billion yen (up 13.2% from the previous fiscal year)

Gross profit increased mainly due to the following factors.

- Sales of materials for the semiconductors increased, resulting in the increase
- Sales of formulated epoxy resins by Nagase ChemteX increased as sales for AI semiconductor applications remained strong, despite sluggish demand for mobile device applications
- Pac Tech Group increased sales for wafer bumping equipment and bumping contract services, resulting in the increase

Operating income increased due to an increase in gross profit.

<Mobility>

Gross profit

15.9 billion yen (down 3.3% from the previous fiscal year)

Gross profit decreased mainly due to the following factors.

- Resin sales, which account for about half of gross profit, remained flat
- Sales decreased for functional materials and functional components for interior and exterior fittings and electrification

Operating income decreased due to a decrease in gross profit.

<Life & Healthcare>

Gross profit

66.4 billion yen (up 14.3% from the previous fiscal year)

Gross profit increased mainly due to the following factors.

- Sales remained flat for pharmaceutical raw materials and intermediates
- Nagase Viita improved profit margin due in part to reduction of manufacturing costs in the food ingredients business, despite flat sales of cosmetic materials
- Food ingredients sales by the Prinova Group increased due to an expansion of market share and an increase in volume

Operating income increased mainly due to an increase in gross profit, the completion of amortization for certain intangible assets at Nagase Viita, and the promotion of efficiency improvements at the Prinova Group.

<Others>

No special matters to disclose.

(2) Status of capital investment, etc.

During the current fiscal year, the Group made capital investment of 26.5 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	1,949
Advanced Materials & Processing	1,366
Electronics & Energy	4,591
Mobility	171
Life & Healthcare	6,471
Others, Company-wide (common)	11,966
Total	26,517

(3) Status of capital procurement

The Company has established commitment lines of 10 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

Summary of the Medium-term Management Plan **ACE 2.0**

The Group set “pursuit of quality” as the basic policy in the Medium-term Management Plan **ACE 2.0**, which covered the five-year period from fiscal 2021 to fiscal 2025. With an ACE (Accountability, Commitment, and Efficiency) mindset and in order to facilitate the NAGASE Group’s sustainable growth, we are giving concrete form (in our business, our systems, and our corporate culture) to the consideration that our stakeholders expect from us. To this end, we promoted two reforms of “Reform of Profit Structure” and “Reform of Corporate Culture,” as well as the expansion of functions that support these reforms.

As a result, we have transformed ourselves into an organization capable of delivering results, and, against the financial KGIs set for the final fiscal year (fiscal 2025) of “ROE of 8.0% or higher and operating income of ¥35.0 billion,” we achieved both targets, with ROE of 8.0% and operating income of ¥44.7 billion.

The financial KPIs were revised during the **ACE 2.0** period. As a result of setting and operating three financial KPIs to promote “return-focused management,” profitability improved, contributing to the achievement of the financial KGIs.

We also achieved our non-financial targets. In our initiatives for “carbon neutrality,” we reduced Scope 1 and 2 GHG emissions by 49.2% compared with fiscal 2013, achieving the target of a reduction of 37% or more. For “employee engagement,” the (Group) employee engagement survey implementation rate was 100%, and the (standalone) engagement survey score for fiscal 2025 was 61.7, meeting the target of 60 or higher.

[Financial KGIs]

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	Fiscal 2025
Enhance capital efficiency	ROE	8.0%	5.9%	7.7%	6.6%	5.9%	6.4%	8.0%
Increase earnings power	Operating income	¥35.0 billion	¥21.9 billion	¥35.2 billion	¥33.3 billion	¥30.6 billion	¥39.0 billion	¥44.7 billion

[Financial KPIs]

Project	KPI	FY2020	FY2025
3 Indicators for Return-focused Management	Gross profit ratio	18.3%	19.3%
	General & Administrative expense ratio (<i>G&A / Gross profit</i>)	67.9%	63.8%
	Selling expense ratio (<i>Selling expenses / Sales</i>)	2.4%	2.4%

[Non-financial targets]

Project	FY2025 Targets	FY2025 Results
Carbon Neutrality	Reduction of Scope 1 and 2 emissions by 37% or more compared with FY2013	Achieved (49.2%)
Employee Engagement	(Standalone) Engagement survey score: 60 over	Achieved (61.7)
	(Group) Employee Engagement Survey implementation rate: 100%	Achieved (100%)

[Basic **ACE 2.0** Policy]

Reform of Profit Structure	Reform of Corporate Culture
<p>① Pursuit of profitability and efficiency</p> <ul style="list-style-type: none"> Execute company-wide business portfolio restructuring and resource reallocation <p>② Strengthen existing businesses</p> <ul style="list-style-type: none"> Expand business opportunities through globalization Improve productivity of manufacturing businesses and expand value-added through technical innovation <p>③ Create sustainable businesses</p>	<p>① Pursuit of economic and social value</p> <ul style="list-style-type: none"> Fostering a sustainability mindset, and rigorous monitoring of financial and non-financial indicators <p>② Pursuit of efficiency</p> <ul style="list-style-type: none"> Deepen awareness of capital efficiency Improve productivity of core operations <p>③ Strengthen human capital to drive reforms</p>
Functions supporting reforms	
<p>① Accelerate DX further ② Promote sustainability ③ Strengthen corporate functions</p>	

The five-year action results for each measure and the issues recognized for the next Medium-term Management Plan are as follows.

[Looking Back on **ACE 2.0**]

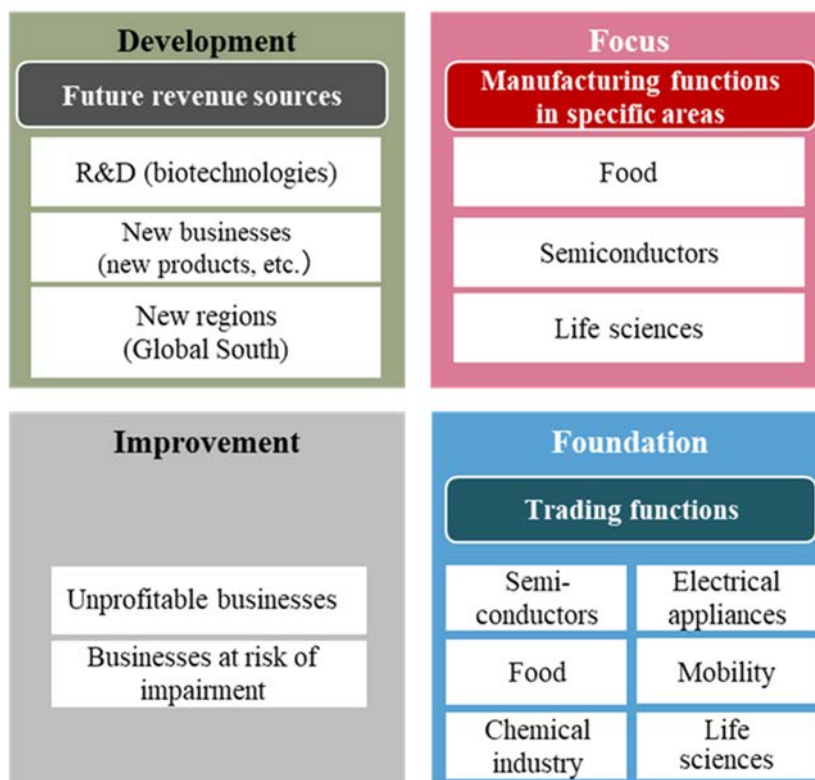
Reform of Profit Structure	Reform of Corporate Culture
<p>① Pursuit of profitability and efficiency</p> <ul style="list-style-type: none"> Strengthened manufacturing capabilities in Semiconductor, Food, and Life Science Acquired Asahi Kasei Pharma's Diagnostics Business, SACHEM's Asian Business and Aplineva (Brazilian food ingredient distributor) Exited unprofitable businesses, including the North American color former business and resin compounding business <p>② Strengthen existing businesses</p> <ul style="list-style-type: none"> Reorganized group companies in the chemical and bio-related fields Improved gross profit margins through return-focused management <p>③ Create sustainable businesses</p> <ul style="list-style-type: none"> Introduced the concept of "Uniqueness" to drive business creation by leveraging the integrated strengths of manufacturing, trading, and R&D capabilities. 	<p>① Pursuit of economic and social value</p> <ul style="list-style-type: none"> Set and achieved non-financial targets Reviewed and updated our materiality <p>② Pursuit of efficiency</p> <ul style="list-style-type: none"> Promoted shareholder-oriented management and expanded stock-based compensation <p>③ Strengthen human capital to drive reforms</p> <ul style="list-style-type: none"> Expanded future leadership development programs, introduced "CEO accompaniment program" and "cross-divisional secondment program" Introduced field-led talent development framework (Business Department CHRO system) Increased participation in the employee stock ownership plan (37.8% → 90.3%)
Functions supporting reforms	
<p>Established Nagase Future Investments (Launch of a CVC)</p>	
Ongoing Issues	<ul style="list-style-type: none"> Enhancement of DX capabilities Improvement of productivity in corporate functions Improvement in the ratio of cross-shareholdings to net assets

1. Reform of Profit Structure

1-1 Pursuit of profitability and efficiency

We secured and reinvested management resources to maximize the efficiency of management resources. We changed the business portfolio from the previous business-based structure to a function-based structure consisting of trading and manufacturing, and classified it into four domains of “Foundation,” “Focus,” “Development,” and “Improvement.”

In the “Foundation” domain, we worked to expand trading functions in the food and semiconductor areas. In the “Focus” domain, we actively invested management resources in the food, semiconductor, and life science areas. In the “Development” domain, we expanded R&D functions and developed business in the Global South. In the “Improvement” domain, we promoted withdrawal from unprofitable businesses and businesses at risk of impairment.



<Foundation domain>

We define trading functions and manufacturing functions outside specific areas as the Foundation domain in our business portfolio. Trading functions use the global network and the ability of NAGASE’s people to identify valuable information. They are responsible for exploring social and customer issues and matching them with solutions. We use the cash and high-quality information gained through these initiatives to develop businesses in the Focus and Development domains. In this way, this domain performs essential functions in creating new businesses and new materials for the future.

In the food area, through the U.S.-based Prinova Group, we acquired a U.S. trading company specializing in sweeteners (The Ingredient House) and Brazilian manufacturers of flavors and food ingredients (Flavor Tec and Aplinova). Through these acquisitions, we achieved vertical integration of the value chain in aroma and other businesses, and also began full-scale global expansion in South American and other markets, and expanded sales of products handled.

In the semiconductor area, our overall strengths as a trading company, including our broad network, expertise, and special logistics know-how, were highly evaluated. As a result, we were selected as the materials transportation coordinator for Rapidus Corporation, which aims to manufacture cutting-edge semiconductors in Japan. We are contributing to the development of a next-generation semiconductor supply chain from a core position.

<Focus domain>

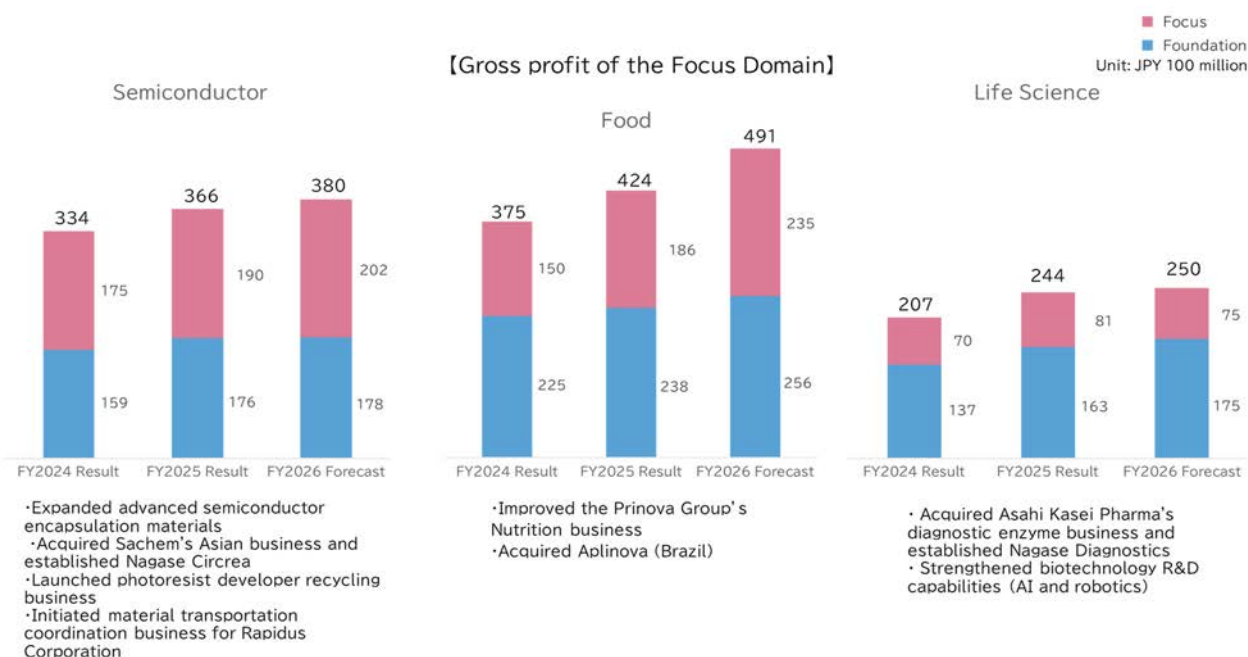
We define the manufacturing functions in the food area, centered on the Prinova Group; the semiconductor area, centered on Nagase ChemteX Corporation; and the life science area, centered on Nagase Viita Co., Ltd., as the Focus domain. We actively invested capital and expanded the business foundation in these areas.

In the food area, we strengthened the foundation of the U.S.-based Prinova Group under a new management structure. In the nutrition business, which had been an issue, costs continued to precede profits when the new plant in Utah, U.S., was launched. However, we promoted measures to improve profitability, such as thoroughly reducing costs through workforce optimization and the introduction of automated equipment, as well as rebuilding the sales structure. As a result, we established a path to earnings recovery in fiscal 2025 and prepared a structure for full-scale profit contribution from the next fiscal year onward.

In the semiconductor area, mainly through Nagase ChemteX Corporation, we expanded production capacity for liquid molding compounds for advanced semiconductors, for which demand is rapidly increasing, and also developed “a-SMC,” a new material for next-generation packages. In addition, we acquired the high-purity chemicals business for semiconductors in Asia (currently Nagase Circrea Group) from SACHEM, Inc., a U.S. company, and opened a new plant for the recovery and recycling business of chemicals for semiconductor manufacturing (TMAH).

In the life science area, we acquired the business of diagnostic reagents, diagnostic enzymes, and related products from the former Asahi Kasei Pharma Corporation, and in July 2025, we began this business as Nagase Diagnostics Co., Ltd. We will combine that company’s highly sensitive enzyme technologies for diagnostic reagents with our existing businesses and global network, aiming to create technology synergies and grow the business by expanding sales in emerging markets.

[Progress in the “Focus Domain”]



<Development domain>

We define R&D for new materials that will become future earnings pillars, new businesses, and high-growth areas as the Development domain. We sowed seeds from a medium- to long-term perspective.

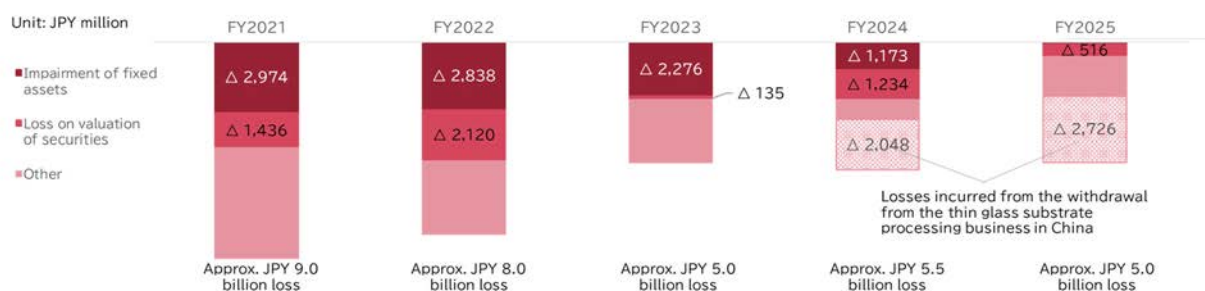
In our R&D (biotechnologies) function, we established the cross-Group NAGASE Biotech Office. We also opened a new research laboratory in California, U.S., and built a foundation to dramatically shorten development periods by using AI and robotics. In addition, we promoted area strategies for the Global South (India, Indonesia, Mexico, and Brazil), where further market expansion is expected. We steadily laid the groundwork for the future by establishing joint ventures for businesses related to motorcycle and EV parts and conducting M&A to expand commercial rights in the food business.

<Improvement businesses>

We define unprofitable businesses, businesses at risk of impairment, etc. as the Improvement domain. We carried out a review of our business portfolio from the perspectives of efficiency and the best owner.

Specifically, in addition to the sale and liquidation of Setsunan Kasei Co., Ltd., SOFIX LLC in the U.S., Daitai Kako Co., Ltd., and others, we took measures such as the sale of Inkron Oy in Finland to reduce the risk of future losses and improve asset efficiency. Although we did not achieve our target of keeping losses to ¥1.0 billion or less, we will continue working to reduce losses.

[Operating Loss, Equity-Method Losses, Impairment Loss, and Unprofitable Transactions at Subsidiaries]



1-2 Strengthen existing businesses

<Thorough implementation of return-focused management>

We worked to ensure that “return-focused management” took root in all businesses, and thoroughly pursued higher profitability. Specifically, we corrected transactions with relatively low profitability. When appropriate conditions could not be secured, we considered returning commercial rights as one option to improve profitability. We also worked to improve working capital efficiency by optimizing inventory levels. These initiatives promoted the transition to a lean management structure and also contributed to improvements in the three financial KPI indicators.

<Reorganization of business departments>

We reorganized the previous 11 business departments into seven business departments for the purposes of streamlining organizational management, speeding up decision-making, and optimally allocating human resources to growth areas. We also reviewed various meeting bodies and revised the internal approval rules, which enabled the efficient implementation of the business division reorganization.

<Reorganization of Group companies>

We reorganized the Group by consolidating the chemical area into Nagase ChemteX Corporation and the biotechnology area into Nagase Viita Co., Ltd. We brought advanced technologies and resources together in core companies to establish a structure that maximizes the use of management resources and improves productivity.

1-3 Create sustainable businesses

We developed businesses that are linked to the concept of “Uniqueness,” which uses the three functions of trading, manufacturing, and R&D, as new business models that contribute to solving social and environmental issues.

<Development of biodegradable SAP>

We developed a starch-derived biodegradable superabsorbent polymer (SAP), by combining the enzyme technologies of Nagase Viita Co., Ltd. with the resin manufacturing technologies of Nagase ChemteX Corporation. Through joint development with partner companies, we accelerated initiatives for social implementation, including the development of a recycling foundation that produces recycled pulp and sustainable aviation fuel (SAF) from used disposable diapers.

<Recovery and recycling business for semiconductor developer solutions>










We acquired the high-purity chemicals business for semiconductors in Asia from SACHEM, Inc., a U.S. company, and created Japan’s first recovery and recycling business of chemicals for semiconductor manufacturing (TMAH). We built a new plant in Higashiosaka City, Osaka and promoted a business that contributes to reducing the environmental impact of the semiconductor industry (reducing water and energy use, as well as industrial waste treatment).

2. Reform of Corporate Culture

2-1 Pursuit of economic and social value

Based on the recognition that both economic value and social value are essential for sustainable growth, we redefined our materiality (key issues).

For materiality, we reorganized the issues in September 2024 based on changes in the external environment that had occurred since **ACE 2.0** was formulated, and then reviewed the materiality through discussions at the Sustainability Committee and the Board of Directors. As a result, in addition to the existing materiality items: “Employee engagement improvement,” “Realize a decarbonization,” and “Transparency in corporate governance,” we added important issues that the Group should newly address: “Extend a healthy life expectancy,” “Achieve sustainable supply chains,” and “Driving a circular economy,” and have reidentified these as six materiality items in total. We will continue to review them in line with changes in the management environment.

Changes in the external environment having a major impact	The NAGASE Group's materiality	Related SDGs
<ul style="list-style-type: none"> • Diversity of human resources • Demographic changes • Climate change and resource shortages • Food and water scarcity • Globalization • Depletion of natural resources • Geopolitical risk • Growing awareness of human rights 	• Employee engagement improvement	
	• Realize a decarbonization	 
	• Extend a healthy life expectancy	 
	• Achieve a sustainable supply chain	 
	• Driving a circular economy	 
	• Transparency in corporate governance	

Among the non-financial targets for solving these issues, in our initiatives for “carbon neutrality,” we reduced Scope 1 and 2 GHG emissions by 49.2% compared with fiscal 2013, achieving the target of a reduction of 37% or more. For “employee engagement,” the (Group) employee engagement survey implementation rate was 100%, and the (standalone) engagement survey score for fiscal 2025 was 61.7, meeting the target of 60 or higher. In addition, we transferred responsibility for employee engagement improvement from the corporate functions to each business department, and shifted to a structure in which workplaces take the lead and address issues proactively.

2-2 Pursuit of efficiency

We positioned the improvement of capital efficiency as one of our most important issues. To further strengthen management's commitment to achieving this goal, we revised the executive compensation system. In addition to monetary compensation linked to single-year performance (such as profit for the period), we introduced performance-linked stock compensation and increased its ratio, and also increased the weighting of capital efficiency indicators (such as ROE) in performance evaluations. Through these measures, we further promoted value sharing with shareholders and strengthened incentives for the sustainable enhancement of corporate value.

Under management conscious of capital costs and share prices, we proceeded with the sale of cross-shareholdings as part of efforts to improve asset efficiency, and completed cumulative sales of ¥30.0 billion, the reduction target for the entire period of **ACE 2.0**.

For our shareholder returns policy, we shifted from the previous policy of “stable dividends” to “continuously increasing dividends,” and annual dividends are expected to increase significantly from ¥54 in fiscal 2021 to around ¥100 in fiscal 2025 (marking the expected 16th consecutive fiscal year of dividend increases). We also reviewed the appropriate capital structure. As a shareholder returns policy limited to the final two years of the period of **ACE 2.0**, we set a total return ratio of 100%, and improved capital efficiency by combining this policy with flexible repurchases of treasury stock.

2-3 Develop human capital to drive reforms

To strengthen human resources who lead reforms, we began operating a new HR system in fiscal 2024. We abolished seniority-based operation for managerial positions and created a stronger link between roles and duties and treatment. We also assigned HR officers (business department CHROs) to each business department and established a talent management structure linked to business strategies.

As part of our initiatives to improve employee engagement, we expanded future leadership development programs and the CEO Accompaniment Program for younger employees. We also newly introduced an exchange program between business departments and provided diverse opportunities for growth and learning.

To foster an open organizational culture, we regularly held dialogue sessions within divisions and with general managers of business departments, as well as “N-Meet up!!” town hall meetings, which provide opportunities for two-way dialogue between management and employees, and dialogue sessions with the President. Through these initiatives, we promoted multi-layered communication.

In addition, we promoted enrollment in the Company’s Own Share Investment Association so that shareholders, management, and employees can share the same perspective and raise awareness of enhancing value for multiple stakeholders. As a result, the enrollment rate increased from 37.8% to 90.3%.

3. Functions Supporting Reforms

3-1 Accelerate DX further

In promoting DX and digital marketing, we have started operating a Company-wide digital platform. However, we recognize this as an ongoing issue for the next Medium-term Management Plan in terms of making a fundamental contribution to business earnings and operational efficiency, including the use of collected data and generative AI.

3-2 Establish a sustainability promotion structure

Centered on the Sustainability Committee, chaired by the President, we established cross-Group projects related to non-financial targets. This effort has led to the review of our materiality and the implementation of specific measures to achieve our non-financial targets. As a result, in addition to achieving the non-financial targets set forth in **ACE 2.0**, these initiatives contributed to improved ratings from external evaluation organizations, and we have been selected as a component stock of all six domestic ESG investment indices adopted by the Government Pension Investment Fund (GPIF).

In addition, through collaboration with partner companies that provide decarbonization management solutions, we worked with customers to develop solutions for visualizing GHG emissions and managing supply chains. At the same time, as part of the Group’s response to climate change, we obtained Science Based Targets (SBT) certification and are strengthening our initiatives toward carbon neutrality under targets aligned with global standards.

[Trends in Evaluations by External Rating Agencies]

External Organizations		Highest Score	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results
FTSE		5.0	1.2	1.9	2.7	3.5	4.2	4.2	4.2
MSCI		AAA	BB	BB	BBB	A	A	A	AA
CDP	Climate Change	A	C	B	B	A-	A-	A-	A
	Water	A	C	B	A-	A	A	A	A
	Forest	A	C-	C	C	B	B	B	B
	Supply Chain Engagement	A	—	—	—	A(leader)	A(leader)	A(leader)	A(leader)
Ecovadis [NAGASE Group]		Platinum (100)	— (41)	Bronze	— (43)	Bronze	Silver	Silver	Silver

3-3 Expand corporate functions

To strengthen the foundation for promoting the two reforms, we implemented the following organizational enhancements.

We established the Corporate Sustainability Office, which promotes cross-Group sustainability strategies; the Future Co-creation Office, which is responsible for developing advanced technologies that can be used Company-wide (such as blockchain and materials informatics (MI)), as well as new businesses in areas such as healthcare and energy; the Group Manufacturing Management Innovation Office (GMI), which leads productivity improvements and added value expansion at Group manufacturing companies from a broad perspective; and Nagase Future Investments Co., Ltd., which invests in startups from perspectives different from those of existing businesses and aims to create next-generation businesses.

4. Issues for the New Medium-term Management Plan

Under **ACE 2.0**, we have not only pursued the achievement of quantitative financial KGIs but also set “pursuit of quality” as our guiding principle, strengthening our foundation for transformation and reinforcing our corporate structure, while shifting toward management with a stronger focus on shareholders. Specific initiatives included investing resources in manufacturing functions (semiconductors, food, and life sciences); restructuring and withdrawing from unprofitable businesses; improving profitability through return-focused management; reorganizing Group companies; expanding stock-based compensation; and increasing the participation rate in the employee stock ownership plan.

At the same time, we recognize ongoing issues. Specifically, these include the enhancement of DX capabilities, improvement of productivity in corporate functions, and improvement in the ratio of cross-shareholdings to consolidated net assets.

Building on the foundation established under **ACE 2.0**, the new Medium-term Management Plan marks a phase transition from “structural reform” to “accelerating growth.” We will steadily bring our existing growth strategies to fruition, concentrate management resources on creating the next growth driver, and strengthen our resilience and human capital to withstand changes—all with the aim of achieving a market capitalization of ¥1 trillion at the earliest opportunity.

To achieve this target, we have recognized the expansion of scale, enhancement of resilience, and strengthening of human resources who will drive growth as issues, and have proceeded with the formulation of the new Medium-term Management Plan.

(2) Review of the philosophy framework

The Group recognized that its current philosophy framework had become complex in structure. Taking the launch of the next Medium-term Management Plan as an opportunity, we have revised the framework into a simpler structure while maintaining the core ideas of our existing philosophy.

The new “Basic Philosophy” consists of two elements: the “Management Philosophy” and “Ideal State.”

<Management Philosophy>

We recognize our responsibility to society and offer beneficial products and services while maintaining the highest standards of integrity. Through our growth, we will contribute to society and enrich the lives of our employees.

<Ideal State>

NAGASE—Contributing to the well-being of people and the planet by solving challenges faced by our customers and society through materials.

Under this Basic Philosophy, we have positioned the “Sustainability Basic Policy” as a policy common to all corporate activities, and will strive to sustainably enhance corporate value.

<Sustainability Basic Policy>

For the sustainable growth of the NAGASE Group and society, we will continue to contribute to the resolution of social and environmental issues through our corporate activities.

1. Integrity in business activities
2. Positive relations with society
3. Consideration for the environment

(3) New Medium-term Management Plan Walk the Talk 2028

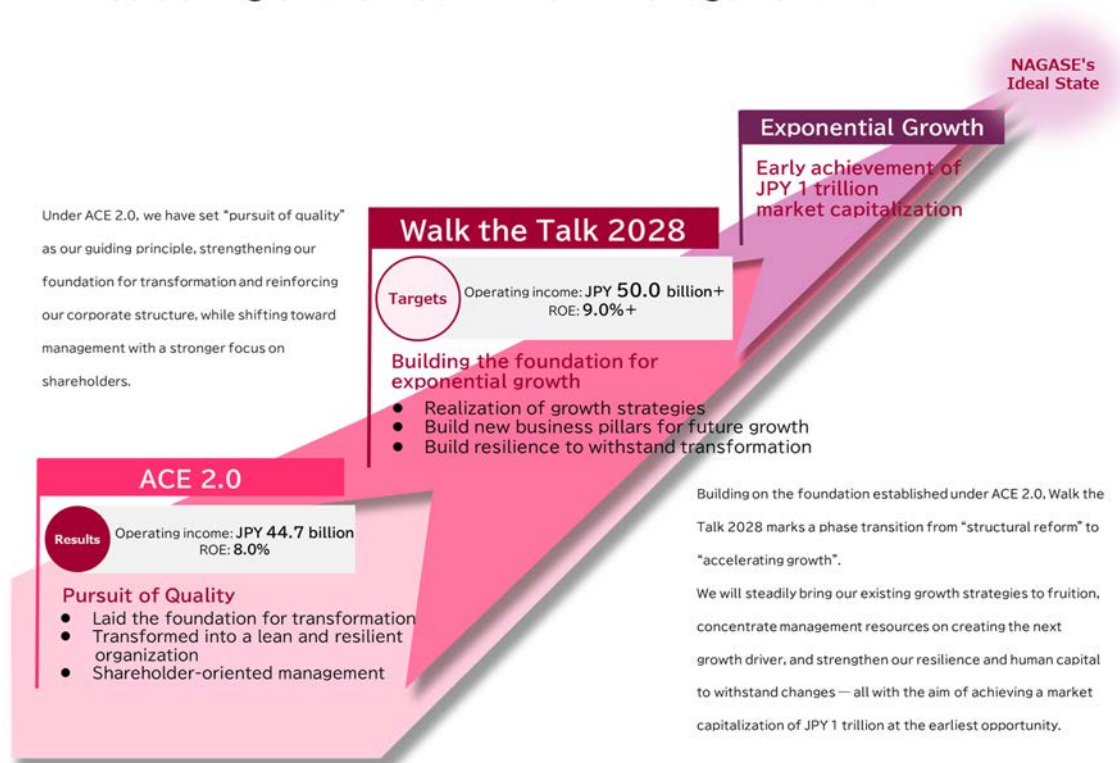
The Group has defined exponential growth as achieving a market capitalization of ¥1 trillion, and aims to realize this target at the earliest opportunity.

The new Medium-term Management Plan Walk the Talk 2028, which will end in fiscal 2028, is positioned as a plan for “building the foundation for exponential growth.” Looking ahead to our evolution into a company worthy of a market capitalization of ¥1 trillion, we have recognized the expansion of scale, enhancement of resilience, and strengthening of human resources who will drive growth as issues, and have established three core policies.

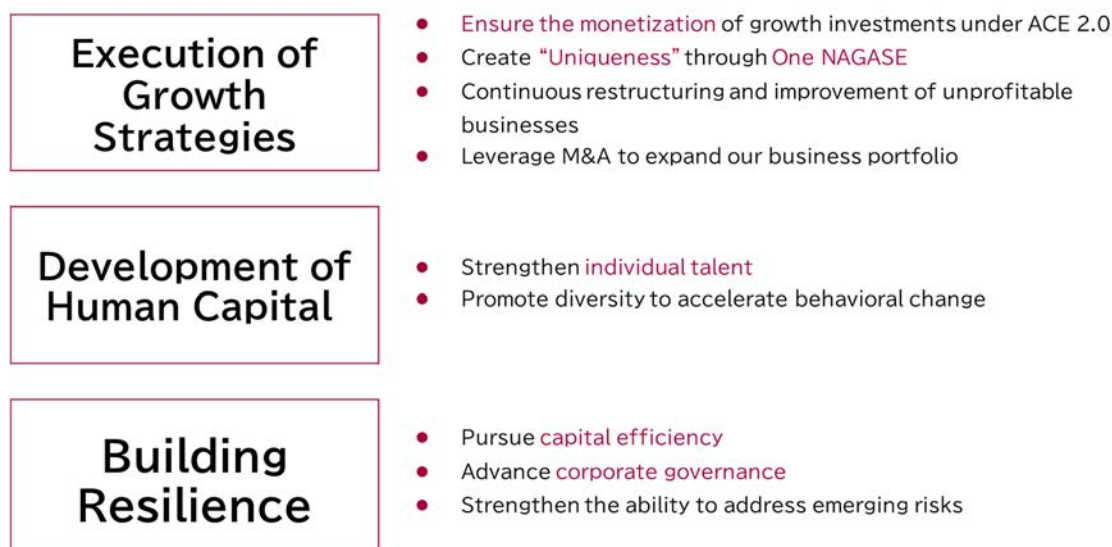
[Three Core Policies]

1. Execution of growth strategies
2. Development of human capital
3. Building resilience

Positioning of the Medium-Term Management Plan



[Three Core Policies of the New Medium-term Management Plan]



1. Execution of Growth Strategies

In executing our growth strategies, we will change our segment structure.

We will integrate the three segments of Functional Materials, Advanced Materials & Processing, and Mobility into the Materials segment. We will also rename Electronics & Energy as Electronics, and Life & Healthcare as Life Sciences.

Through these changes, we will clarify our business portfolio, fast-track capital allocation to growth areas, reinforce ROIC-based management, and drive a shift toward a more capital-efficient earnings structure. We will allocate capital primarily to the highly profitable Electronics and Life Sciences segments, and work to achieve a more balanced earnings structure.

In addition, we will appoint segment heads for each segment and delegate responsibility and authority to accelerate decision-making, while driving growth through strategies tailored to diverse business environments.

Under **ACE 2.0**, we changed our business portfolio from the previous business-based structure to a function-based structure consisting of trading and manufacturing. Under Walk the Talk 2028, we have established the “Growth” domain, which is responsible for portfolio restructuring and the pursuit of efficiency; the “Focus” domain, which further strengthens the competitive advantages of our own products; and the “Challenge” domain, which prepares future sources of earnings. We will steadily execute the growth investments and initiatives planned under **ACE 2.0** while maximizing investment returns and continuously restructuring and improving unprofitable businesses to achieve sustained enhancement of corporate value.

[Changes to the Segment Structure]

Departments	Current Segments	FY25 Operating Income	New Segments	FY25 Operating Income
Performance Chemicals	Functional Materials	9.3 billion JPY	Materials	20.6 billion JPY
Speciality Chemicals				
Polymer Global Account				
Mobility Solutions	Mobility	3.7 billion JPY		
Electronics	Electronics & Energy	14.8 billion JPY	Electronics	14.8 billion JPY
Advanced Functional Materials				
Life & Healthcare Products	Life & Healthcare	9.8 billion JPY	Life Sciences	9.8 billion JPY

[Business Strategy by Segment]

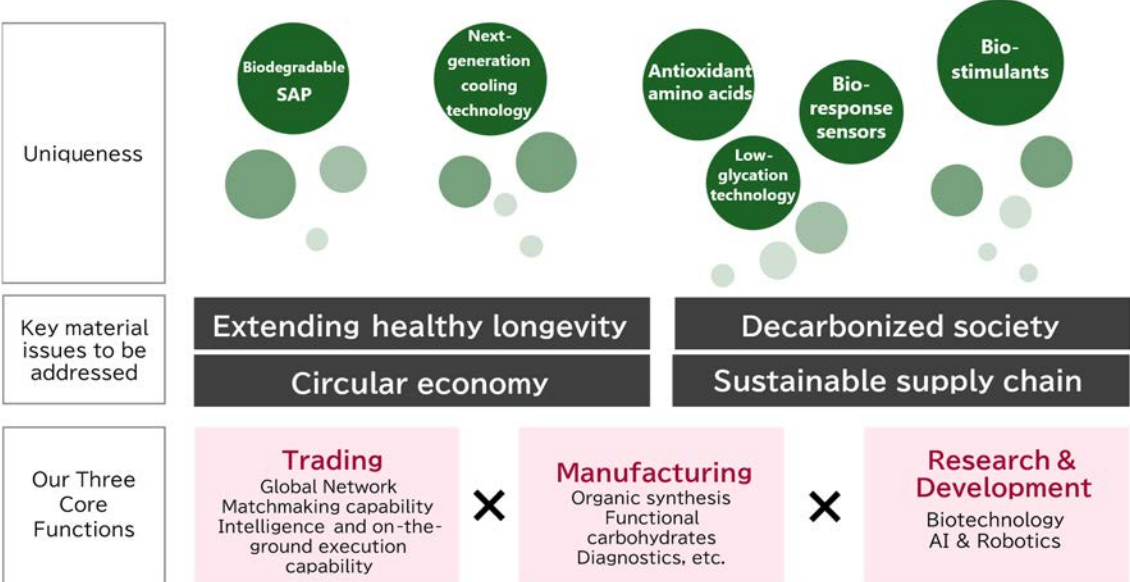
		FY2028
Materials	<ul style="list-style-type: none"> • Restructure regional business portfolio • Secure new supply chains in response to petrochemical industry restructuring • Strengthen production capacity for Group-manufactured products (filters and pipes) • Create businesses that contribute to sustainability 	EBITDA JPY 23.5 billion Operating income JPY 22.0 billion
Electronics	<ul style="list-style-type: none"> • Expand production capacity for advanced semiconductor encapsulation materials • Launch new products and establish market traction • Expand ultra-high-purity chemical business and launch a recovery and recycling business • Build a global supply network for the semiconductor industry 	EBITDA JPY 21.6 billion Operating income JPY 17.0 billion
Life Sciences	<ul style="list-style-type: none"> • Provide solution-based offerings built on ingredients in the food industry • Expand global business in personal care and pharmaceuticals • Enhance productivity and grow the Prinova Group manufacturing business • Create new products leveraging AI and robotics 	EBITDA JPY 20.0 billion Operating income JPY 11.0 billion

[Ensuring Monetization of **ACE 2.0** Growth Strategies]

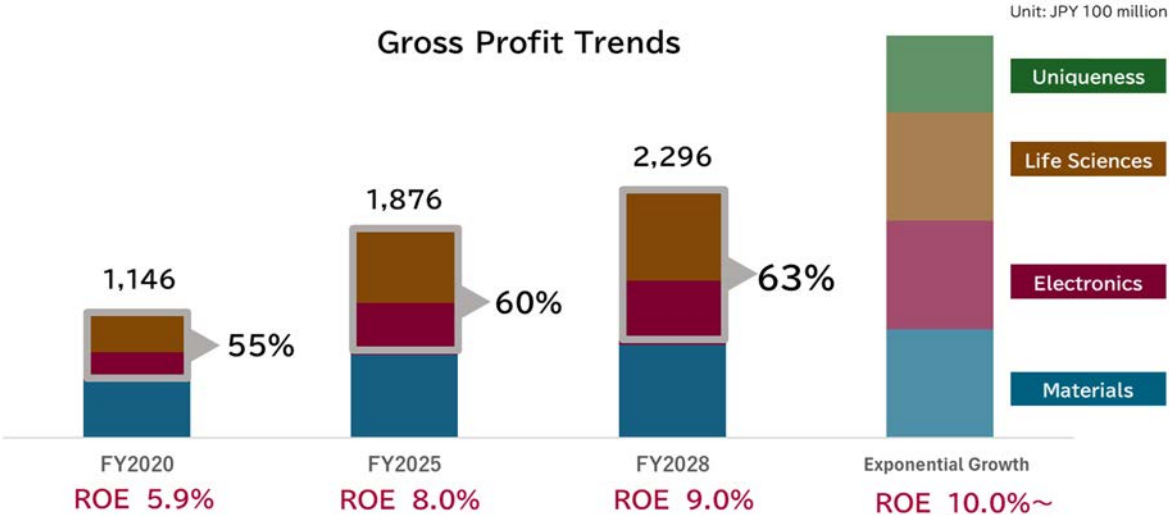
	Focus	Growth	Challenge
	Strengthening our competitive proprietary products	Portfolio restructuring Pursuit of efficiency	Incubation function Seeding future growth
	■ Planned investment: JPY 70 billion	■ Planned investment: JPY 10 billion	■ Planned investment: JPY 20 billion
Materials	<ul style="list-style-type: none"> ■ Expand production for pipes used in national resilience applications ■ Strengthen Nagase Filter business 	<ul style="list-style-type: none"> ■ Expand trading business driven by petrochemical industry restructuring ■ Restructure regional business portfolio ■ Expand the semiconductor chemicals business 	<ul style="list-style-type: none"> ■ MOF product businesses ■ Continuous Flow Synthesis business
Electronics	<ul style="list-style-type: none"> ■ Expand liquid encapsulant production capacity ■ Expand production capacity for ultra-high-purity chemicals ■ Launch a chemical solution recovery and recycling business ■ Expand capacity for outsourced semiconductor packaging services 	<ul style="list-style-type: none"> ■ Expand footprint in the United States ■ Expand logistics network in India ■ Expand the semiconductor business in China 	<ul style="list-style-type: none"> ■ Develop next-generation sheet-type encapsulation material ■ Strengthen semiconductor packaging development capabilities ■ Build a cold supply chain
Life Sciences	<ul style="list-style-type: none"> ■ Enhance productivity in the Prinova Group Nutrition business ■ Expand the enzymes (diagnostics) business ■ Strengthen the Prinova Group premix business in Europe 	<ul style="list-style-type: none"> ■ Expand Active Pharmaceutical Ingredient business ■ Food business restructuring — Establishment of Nagase Food Solutions 	<ul style="list-style-type: none"> ■ Develop saccharide-derived alternatives to petrochemical materials ■ Launch low-endotoxin business
		<ul style="list-style-type: none"> ■ Enhance productivity through AI utilization 	<ul style="list-style-type: none"> ■ Establish a new biotechnology research facility

Across all segments, by fully leveraging NAGASE’s three functions—trading, manufacturing, and R&D—we will create “Uniqueness”: a business model that only NAGASE can offer, delivering high added value across the entire value chain, and evolving it into a key driver of future growth. In addition to growth in existing businesses, this Uniqueness will serve as a new growth driver, helping to close the scale gap toward a market capitalization of ¥1 trillion through the expansion of earnings scale and improvement of ROE.

[Creating Uniqueness through One NAGASE]



[Quantitative Roadmap to Exponential Growth]

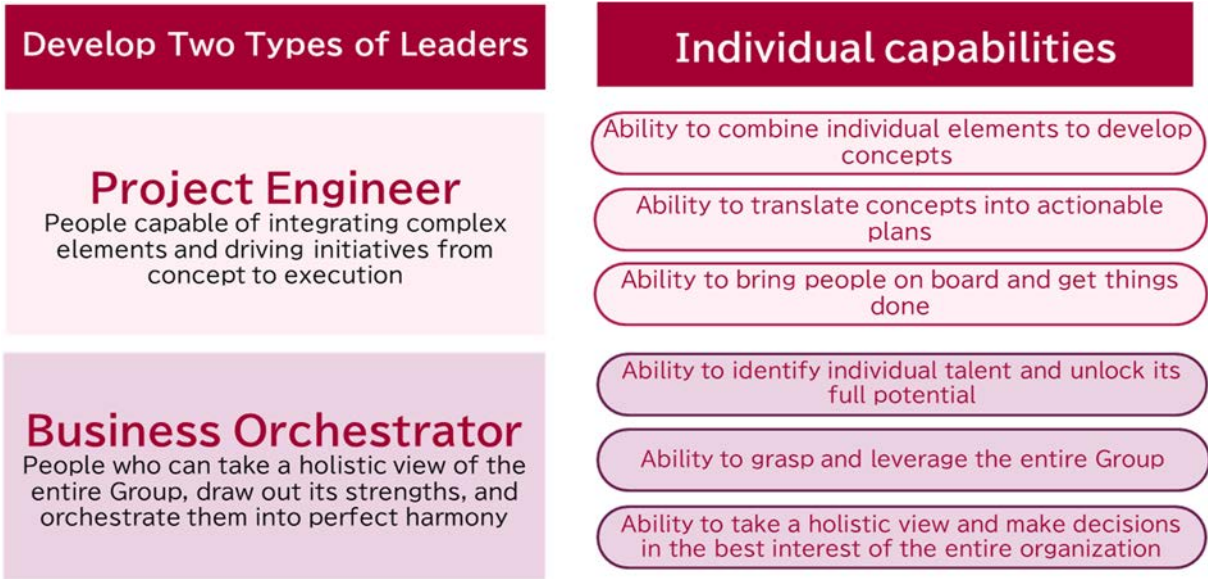


2. Development of Human Capital

The Group positions “people” as its most critical management resource. We recognize that people who act on their own initiative, not bound by precedent, are the true source of the Group’s execution power. We will strengthen individual capabilities and harness them collectively to break through organizational limits.

Specifically, in addition to strengthening on-the-ground execution capability, we will promote the development of two types of leaders. The first is project engineers: people capable of integrating complex elements and driving initiatives from concept to execution. The second is business orchestrators: people who can take a holistic view of the entire Group, draw out and harmonize its strengths, and orchestrate them into perfect harmony.

[Strengthening Individual Talent]



3. Building Resilience

We will build a resilient management and financial foundation capable of responding to any changes in the external environment and sustainably enhancing corporate value.

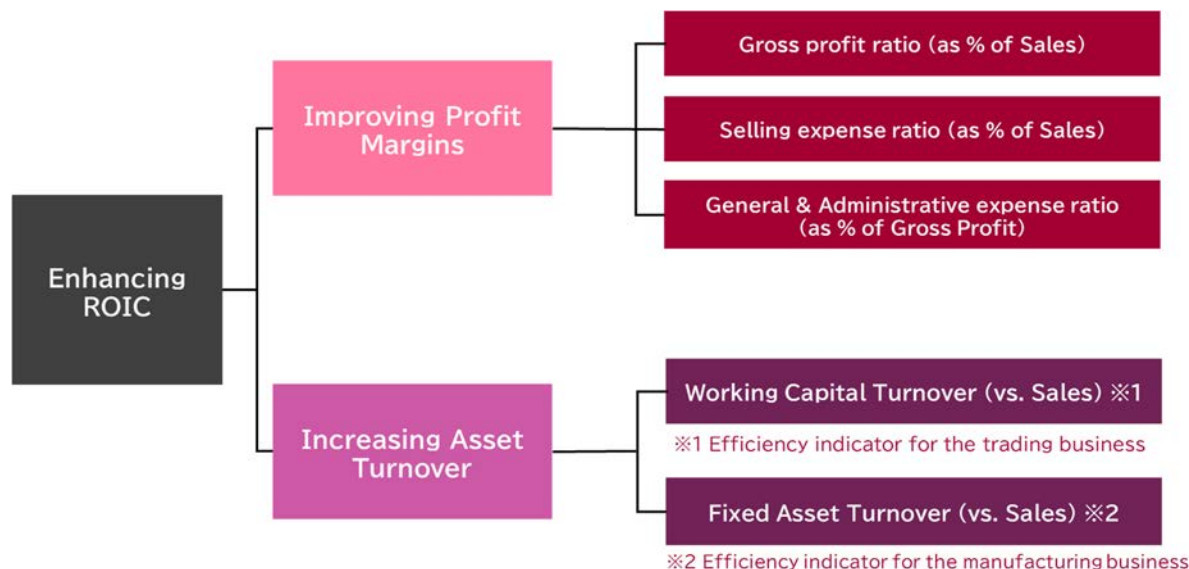
First, as part of our pursuit of capital efficiency, we will deepen ROIC-based management.

Under **ACE 2.0**, we set and operated three financial KPIs that pursue P/L efficiency in order to promote “return-focused management.” As a result, these initiatives contributed to the achievement of operating income and ROE targets, which are financial KGIs indicating capital efficiency.

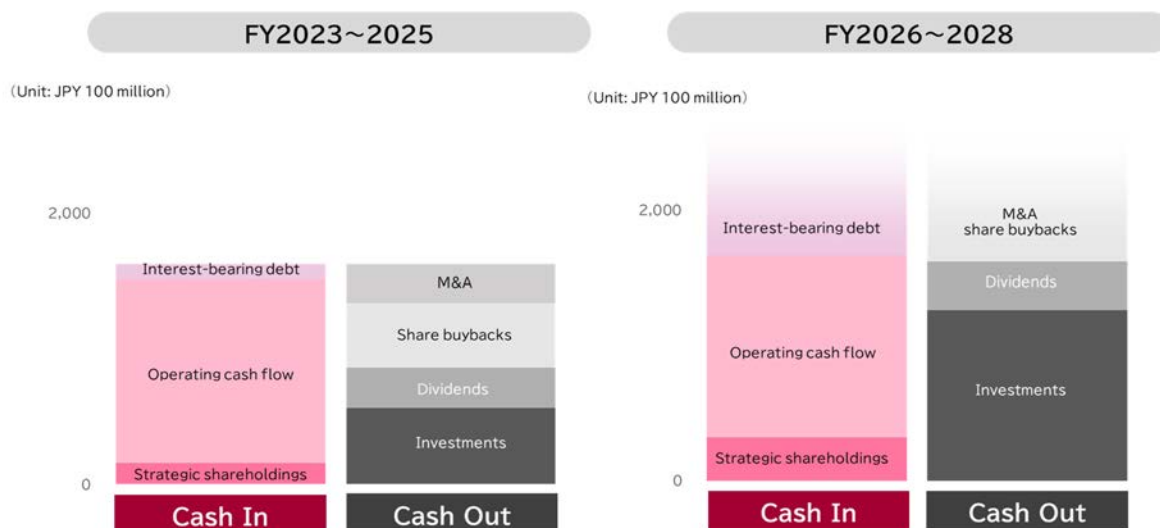
Under Walk the Talk 2028, in addition to the three financial KPIs, we will introduce working capital turnover and fixed asset turnover. We will also introduce the general & administrative expense ratio (as % of gross profit) of indirect divisions as an indicator for the improvement of productivity in corporate divisions, which we recognize as an ongoing issue. Through these measures, we will enhance capital efficiency from both “earning power” and “asset turnover.”

In addition, with respect to cross-shareholdings, which we also recognize as an ongoing issue, we will sell an amount exceeding the total executed over the five years of **ACE 2.0**, and proceed with asset replacement.

[Pursuit of Capital Efficiency - Deepening ROIC-based Management]



[Pursuit of Capital Efficiency - Cash Allocation]



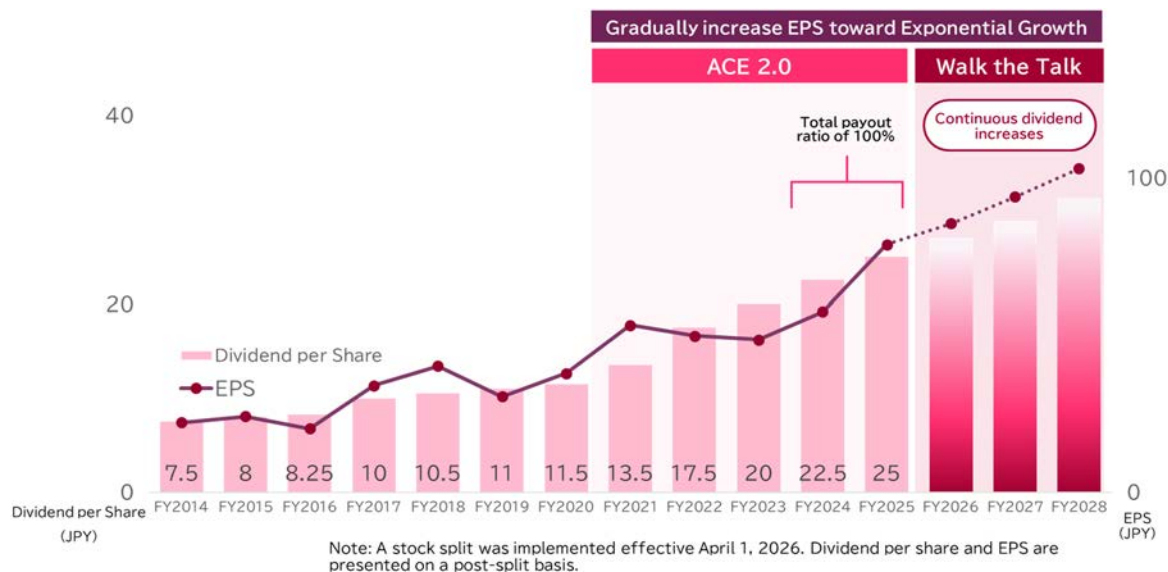
4. Shareholder Returns Policy

The Company positions the enhancement of value for its shareholders as an important management issue, and has established continuously increasing dividends and flexible repurchases of treasury stock as its shareholder returns policy.

Under the new Medium-term Management Plan, the Company will seek to expand its business foundation and improve its earning power through the steady implementation of measures and the promotion of growth investments, and will aim to achieve sustainable improvement in earnings per share. Specifically, the Company uses 30% growth in EPS (profit per share) over the three-year period as a guideline.

With respect to repurchases of treasury stock, the Company will seek to achieve ROE of 9% or higher, as set forth in the new Medium-term Management Plan, and enhance shareholder value by implementing such repurchases flexibly, while taking into account the balance with opportunities for growth investments and financial soundness, as well as capital cost and share price levels.

[Shareholder Returns Policy]



5. Quantitative Targets (Company-wide KGIs and Business KPIs)

For the final fiscal year (fiscal 2028), we have set financial KGIs of achieving “operating income of ¥50.0 billion or more,” indicating the maximization of earning power, and “ROE of 9.0% or higher,” indicating improvement in capital efficiency. As business KPIs, we will set EBITDA and ROIC for each individual company and each segment.

As a non-financial target, toward the realization of carbon neutrality, we have set a target of reducing Scope 1 and 2 GHG emissions by 32.7% compared with fiscal 2021. By pursuing both economic value and social value, we will realize sustainable enhancement of corporate value. This target is aligned with the SBT-certified 2030 target.

Management Targets for Walk the Talk 2028

	■ Company-wide KGI	■ Business KPI
Financial	Earnings Power Operating income JPY 50.0 billion +	EBITDA Set for each individual company and segment
	Capital Efficiency ROE 9.0% +	ROIC Set for each individual company and segment
Non-financial	Carbon Neutrality※ Scope 1,2 reduction ratio (compared to FY2021) 32.7%	

Note: This target is aligned with the SBT-certified 2030 target

(9) Changes in assets and profit/loss

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Gross profit (Unit: Million yen)	155,410	164,719	173,301	187,687
Ordinary income (Unit: Million yen)	32,528	30,591	38,382	44,096
Profit attributable to owners of the parent (Unit: Million yen)	23,625	22,402	25,521	33,119
Earnings per share (Unit: yen)	49.89	48.74	57.60	78.89
Total asset (Unit: Million yen)	762,688	792,336	808,143	871,526
Net asset (Unit: Million yen)	378,388	401,315	406,459	434,025

Notes:

1. Amounts indicated in units of one million yen are rounded down to the nearest one million yen.
2. The Company conducted a share split at a ratio of 4 shares for every one common share effective April 1, 2026. Accordingly, “earnings per share” is calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2023.
3. For gross profit for the fiscal year ended March 31, 2025, figures after retrospective application are presented because retrospective adjustments were made due to a change in accounting policy.

(10) Status of parent company and main subsidiaries (As of March 31, 2026)

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
Shanghai Nagase Trading Co., Ltd.	(thousand) RMB 8,120	100.0% (100.0%)	Import/export, intermediate trade, market development, information collection
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, functional dyes, enzymes, and phospholipids
Nagase ChemteX Corporation	2,474 million yen	100.0%	Development and manufacture of high-performance resins, such as formulated epoxy resins, photolithography materials, epichlorohydrin derivatives, conductive materials, and functional dyes
Nagase (Hong Kong) Ltd.	(thousand) HK\$ 28,670	100.0%	Import/export, intermediate trade, market development, information collection
Shanghai Hua Chang Trading Co., Ltd.	(thousand) RMB 19,864	70.0% (53.8%)	Sale of plastics and resins and related products
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
Nagase Chemical Co., Ltd.	310 million yen	100.0%	Sale of industrial chemicals, chemicals for manufacturing paper, plastics, and various machinery
Nagase (Thailand) Co., Ltd.	(thousand) BAHT 321,000	100.0%	Import/export, intermediate trade, market development, information collection

Notes:

1. Figures in parentheses under percentage of voting rights held indicate indirect ownership (included in total equity holdings).
2. 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.
3. As of the end of the fiscal year, there were no specified wholly owned subsidiaries.

(11) Main business activities (As of March 31, 2026)

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	Raw resin materials, plastics and resins, specialty epoxy resins, solvents, pigments and dispersions, dyes, colorants, various types of additives, raw urethane materials, release agents, conductive materials, functional films, adhesives, sanitary product materials, organic chemicals, inorganic chemicals, high-purity chemicals, silicone products, silicone materials, bio-products, specialty acrylic rubber materials, polymer filters, enzymes, The Mixing Concierge™ service, The Dispersion Processing Total Coordination service, The Chemical Search service (for the CASE field), The Chemicals AI Cooperative Logistics Matching Service, NAGASE's original Chemical Industry Safety Education VR Goggles, water treatment equipment, metal organic framework (MOF), CO ₂ capture equipment, etc.
Advanced Materials & Processing	Engineering plastics, commodity plastics, packaging materials, other plastics-related products and services, etc.
Electronics & Energy	Formulated epoxy resins and related materials, high-precision abrasive materials, optical materials for displays, touch panel components, functional coating, conductive and insulating materials, adhesive and encapsulating materials, high-heat-resistant films, optical lenses, high-frequency devices, low dielectric materials, sensing modules, semiconductor and electronic device-related equipment, battery assessment and consulting services, prototype development of battery packs, photolithography materials for flat panel displays and semiconductors, etc.
Mobility	Various plastics, functional paints, adhesives, lightweight components, decorative components, HMI components, CASE-related (xEV-related components, heat management components, battery materials, sensors, LiDAR devices, autonomous driving technologies), etc.
Life & Healthcare	Pharmaceutical products (APIs, additives, intermediates, and other materials), materials for in vitro diagnostics, raw materials for cosmetics and household goods (active ingredients, additives, emulsifiers, and fragrances), food ingredients (nutritional materials, functional saccharides such as TREHA®, glycosides, enzymes, and other processing aids), premixes (OEM/ODM), agricultural applications (including livestock raising) and fisheries, endotoxin removal services, etc.
Others	Retail electricity services, environmental value trading, rechargeable battery systems, medical devices, preventive and pre-symptomatic healthcare services, medical DX, medical device development support, R&D support, data analysis, Materials Informatics (MI)-related services, logistics services, information processing services, vocational services, etc.

Note: Effective April 1, 2026, the Company changed its business segments as described below.

Business segment	Products handled or services provided
Materials	Raw resin materials, plastics and resins, specialty epoxy resins, engineering plastics, commodity plastics, packaging materials, other plastics-related products and services, solvents, pigments and dispersions, dyes, functional paints, colorants, various types of additives, raw urethane materials, release agents, conductive materials, functional films, adhesives, sanitary product materials, organic chemicals, inorganic chemicals, high-purity chemicals, silicone products, silicone materials, bio-products, specialty acrylic rubber materials, polymer filters, enzymes, lightweight components, decorative components, HMI components, CASE-related (xEV-related components, heat management components, battery materials, sensors, LiDAR devices, autonomous driving technologies), The Mixing Concierge™ service, The Dispersion Processing Total Coordination service, The Chemical Search service (for the CASE field), The Chemicals AI Cooperative Logistics Matching Service, NAGASE's original Chemical Industry Safety Education VR Goggles, water treatment equipment, metal organic framework (MOF), CO ₂ capture equipment, etc.
Electronics	Formulated epoxy resins and related materials, high-precision abrasive materials, optical materials for displays, touch panel components, functional coating, conductive and insulating materials, adhesive and encapsulating materials, high-heat-resistant films, optical lenses, high-frequency devices, low dielectric materials, sensing modules, semiconductor and electronic device-related equipment, battery assessment and consulting services, prototype development of battery packs, photolithography materials for flat panel displays and semiconductors, etc.
Life Science	Pharmaceutical products (APIs, additives, intermediates, and other materials), materials for in vitro diagnostics, raw materials for cosmetics and household goods (active ingredients, additives, emulsifiers, and fragrances), food ingredients (nutritional materials, functional saccharides such as TREHA®, glycosides, enzymes, and other processing aids), premixes (OEM/ODM), agricultural applications (including livestock raising) and fisheries, endotoxin removal services, etc.
Others	Retail electricity services, environmental value trading, rechargeable battery systems, medical devices, preventive and pre-symptomatic healthcare services, medical DX, medical device development support, R&D support, data analysis, Materials Informatics (MI)-related services, logistics services, information processing services, vocational services, etc.

(12) Main offices and plants (As of March 31, 2026)

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 Formulation Plant (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto) Nagase ChemteX Corporation: Harima Plant, (Tatsuno, Hyogo), Okayama Plant (Okayama, Okayama), 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	

(13) Status of employees (As of March 31, 2026)

a) Status of the corporate group employees

Business Segment	Number of employees
Functional Materials	872
Advanced Materials & Processing	1,144
Electronics & Energy	1,611
Mobility	301
Life & Healthcare	2,657
Others	314
Company-wide (common)	857
Total	7,756

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
942	-6	41.2	16.1 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, 2026)

Lenders	Loan amounts
Sumitomo Mitsui Banking Corporation	14,990 million yen
MUFG Bank, Ltd.	11,299 million yen
Mizuho Bank, Ltd.	6,422 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, 2026)

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

Note: The Company conducted a share split at a ratio of 4 shares for every one common share effective April 1, 2026. Accordingly, pursuant to Article 184, paragraph (2) of the Companies Act, the total number of shares authorized stipulated in Article 6 of the Articles of Incorporation was changed to 1,387,920,000 shares effective April 1, 2026.

(2) Total number of shares issued 109,908,285

Note: As a result of the above share split, the total number of shares issued became 439,633,140 shares as of April 1, 2026.

(3) Number of shareholders 36,647

(4) Principal shareholders (top 10)

Principal shareholders	Number of shares held (thousand shares)	Holdings percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,027	11.7
Custody Bank of Japan, Ltd. (Trust Account)	6,406	6.2
NAGASE & CO., LTD. Own Share Investment Association	4,576	4.5
Nippon Life Insurance Company	3,589	3.5
Reiko Nagase	3,115	3.0
Nagase Shunzo Co., Ltd.	2,688	2.6
Sumitomo Mitsui Trust Bank, Limited	2,653	2.6
STATE STREET BANK AND TRUST COMPANY 505001	2,643	2.6
NOMURA CUSTODY NOMINEES LIMITED OMNIBUS-FULLY PAID (CASHPB)	2,281	2.2
Sumitomo Mitsui Banking Corporation	2,188	2.1

Notes:

1. The Company holds 7,220,152 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, 2025

- (i) Class and number of shares 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, 2026)

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		
Director	Masatoshi Kamada	In charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, Korea, and Taiwan)	
Director	Tamotsu Isobe	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept.	
Director	Yoshihisa Shimizu	In charge of Corporate Administration	
Director	Hiroshi Nagase		
Director	Ritsuko Nonomiya		Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. External Director of Shiseido Company, Limited Outside Director, Audit & Supervisory Committee Member of Nippon Yusen Kabushiki Kaisha
Director	Noriaki Horikiri		Representative Director and Chairman of Kikkoman Corporation
Director	Toshiaki Mikoshiba		
Full-time Audit & Supervisory Board Member	Masaya Ishida		
Full-time Audit & Supervisory Board Member	Akira Takami		
Full-time Audit & Supervisory Board Member	Takanori Yamauchi		
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 Shin Marunouchi Law Firm

Notes:

1. Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba are outside Directors and have been filed as 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 have been filed as independent officers pursuant to the regulations of financial instruments exchanges.
3. Full-time Audit & Supervisory Board Member Akira Takami and Takanori Yamauchi 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, Masatoshi Kamada, Tamotsu Isobe, and Yoshihisa Shimizu are also executive officers.
7. Changes in Directors and Audit & Supervisory Board Members during the fiscal year

(1) Appointments

At the 110th Annual Shareholders' Meeting held on June 18, 2025, Yoshihisa Shimizu and Takanori Yamauchi were newly elected and appointed as Director and Audit & Supervisory Board Member, respectively.

(2) Retirements

Director Masaya Ikemoto and Audit & Supervisory Board Member Masanori Furukawa retired from office due to the expiration of their terms of office effective as of the conclusion of the 110th Annual Shareholders' Meeting held on June 18, 2025.

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

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

<Reference>

1. The areas of responsibility of Directors as of April 1, 2026 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., Americas CEO	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept.

Directors with executive titles as of April 1, 2026 were as set forth below.

Name	New	Old
Masatoshi Kamada	Director, Senior Managing Executive Officer	Director, Managing Executive Officer

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

Executive Officers were elected on April 1, 2026, and their areas of responsibility were as set forth below.

Status	Name	Areas of responsibility
Executive Vice President	Masaya Ikemoto	In charge of the Prinova Business
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	Xiaoli Liu	General Manager of Nagase Bio-Innovation Center
Executive Officer	Kentaro Nagase	Europe CEO
Executive Officer	Kazuhiro Hanba	General Manager of Audit Office
Executive Officer	Toshio Wakuda	General Manager of Human Resources & Risk Management Dept.
Executive Officer	Natsuki Imamura	General Manager of Corporate Management Dept.
Executive Officer	Hironao Makise	In charge of Nagase Diagnostics Co., Ltd.
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.
Executive Officer	Yoshiyuki Morita	In charge of Nagase ChemteX Corporation and General Manager of Group Manufacturing Management Office
Executive Officer	Koji Yoshida	General Manager of Polymer Global Account Dept.
Executive Officer	Kazuyuki Sato	General Manager of Electronics Dept.
Executive Officer	Yoshiaki Kashiwagura	Deputy General Manager of Advanced Functional Materials Dept.
Executive Officer	Jeffrey J. Cernohous	Chief Technology Officer

(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				
			Basic compensation	Annual bonus	Performance-linked stock compensation	Restricted stock compensation	
Director	Inside Director	7	450	201	168	20	60
	Outside Director	3	44	44	-	-	
	Total	10	494	245	168	20	60
Audit & Supervisory Board Member	Inside Audit & Supervisory Board Member	3	50	50	-	-	
	Outside Audit & Supervisory Board Member	2	37	37	-	-	
	Total	5	87	87	-	-	

Notes:

1. Included in the above is 81 million yen in total compensation paid to the five outside officers.
2. The total compensation paid to Directors indicated above includes 265 million yen which is reported as an expense of provisions during the fiscal year.
3. In addition to the above, 7 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 Director and one Audit & Supervisory Board Member who retired effective as of the conclusion of the 110th Annual Shareholders' Meeting held on June 18, 2025.

b) Basic principles of the 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

c) Compensation level and compensation structure

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	Incentivize improvement in annual business performance	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	Incentivize sustainable growth in corporate value	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		Align interest with shareholder value		—

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.

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.

d) Matters relating to performance-linked compensation

The Company's performance-linked compensation consists of annual bonuses paid based on performance results for a single fiscal year and performance-linked stock compensation with an evaluation period of three fiscal years. However, since fiscal 2025 is the final fiscal year of the current medium-term management plan, performance-linked stock compensation is also evaluated on a single-year basis.

Operating income, a key financial indicator for the Company, serves as the performance metric for annual bonus evaluation. The Company aims to expand operating income by improving profitability and efficiency as part of its policy to enhance corporate value. Annual bonuses are calculated using the formula below. The consolidated operating income and operating income by business for the current fiscal year are as described in "1. NAGASE Group business conditions, (1) Development and results of business operations."

Performance metrics	Formula
Consolidated operating income	Consolidated operating income for the relevant fiscal year × 0.15% × evaluation weight (determined separately) × position coefficient (determined separately)
Business division operating income (for Directors in charge of business divisions)	Base amount by position × target achievement rate × evaluation weight (determined separately) Payout range depending on achievement rate: 0% to 150%
Individual performance evaluations	Base amount by position × individual evaluation result Evaluated in light of the targets set at the beginning of the fiscal year (0% to 150%)

Performance-linked stock compensation takes the form of a performance share unit (PSU) plan using a three-consecutive-fiscal-year evaluation period, aiming to strengthen incentives for sustainable corporate value enhancement. The number of shares to be delivered under the PSU plan is calculated using the formula below. The actual ROE for the current fiscal year was 8.0%.

Performance metrics	Formula
ROE	Base points by position × coefficient based on the performance of the relevant fiscal year × 67%
Sustainability-related indicators	Base points by position × coefficient based on the performance of the relevant fiscal year × 33%

e) 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 800 million yen per year (80 million yen per year for outside Directors) by the resolution of the Annual Shareholders' Meeting held on June 18, 2025 (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 upper limit, approval was obtained for stock-based compensation for Directors (excluding Outside Directors and Directors, Senior Advisors), consisting of restricted stock compensation for the fixed point portion, up to 80 million yen (with the number of shares not exceeding 46,000 shares), and performance-linked stock compensation for the performance-linked point portion, up to 120 million yen (with the number of shares not exceeding 69,000 shares), at the Annual Shareholders' Meeting held on June 18, 2025. The number of eligible Directors at the conclusion of this Shareholders' Meeting was five.

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.

- f) 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. 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. To provide motivation for sustained enhancement of corporate value, the Company uses a compensation structure with variable compensation accounting for between 40–67% of total compensation (in the case of standard evaluations) depending on each Director and Executive Officer's roles and responsibilities. Compensation for Outside Directors and Audit & Supervisory Board Members is limited to basic compensation, a fixed salary, in view of the nature of their duties.

Monetary compensation consists of basic compensation and an annual bonus. The annual amount of basic compensation, a fixed salary, will be divided equally into 12 months and paid, while the annual bonus, performance-linked compensation, will be paid all at once at the end of June.

Non-monetary compensation consists of performance-linked stock compensation and restricted stock compensation. For performance-linked stock compensation, stock grant points will be determined based on achievement of medium-term KPIs over three consecutive fiscal years, and shares will be granted annually (with a three-year transfer restriction after grant). For restricted stock compensation, restricted stock will be granted annually based on a standard amount determined according to roles and responsibilities, with transfer restrictions lifted upon resignation.

- g) 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 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.	No special relationship
		External Director of Shiseido Company, Limited	The Company engages in transactions including sale of goods.
		Outside Director, Audit & Supervisory Committee Member of Nippon Yusen Kabushiki Kaisha	The Company receives outsourcing services.
Outside Director	Noriaki Horikiri	Representative Director and Chairman of Kikkoman Corporation	The Company engages in transactions including sale of goods.
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 Shin Marunouchi Law Firm	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 16 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 94%). 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 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%), all 18 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 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 18 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, 2026)

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

ASSETS	Amount
	(Millions of yen)
Current assets	566,319
Cash and time deposits	45,599
Notes and accounts receivable and contract assets	321,435
Merchandise and finished goods	157,496
Work in process	3,282
Raw materials and supplies	16,781
Other	22,660
Less allowance for doubtful accounts	(936)
Non-current assets	305,207
Property, plant and equipment	123,973
Buildings and structures	33,652
Machinery, equipment and vehicles	23,461
Land	23,104
Construction in progress	16,551
Other	27,203
Intangible fixed assets	68,688
Goodwill	28,384
Technology-based assets	3,060
Other	37,244
Investments and other assets	112,545
Investments in securities	87,595
Long-term loans receivable	1,329
Retirement benefit asset	9,628
Deferred tax assets	6,029
Other	9,056
Less allowance for doubtful accounts	(1,093)
Total assets	871,526

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	297,008
Notes and accounts payable	159,845
Short-term loans	20,175
Current portion of long-term loans	15,000
Commercial paper	47,000
Income taxes payable	6,934
Accrued bonuses for employees	9,533
Accrued bonuses for directors	404
Provision for directors' stock benefit	49
Provision for loss on business withdrawal	1,306
Other	36,757
Long-term liabilities	140,493
Bonds	40,000
Long-term loans	50,000
Lease liabilities	16,077
Deferred tax liabilities	19,600
Retirement benefit liability	10,981
Provision for directors' stock benefit	315
Other	3,517
Total liabilities	437,501
NET ASSETS	
Shareholders' equity	313,878
Common stock	9,699
Capital surplus	9,336
Retained earnings	321,076
Less treasury stock, at cost	(26,233)
Accumulated other comprehensive income	111,567
Net unrealized holding gain on securities	40,477
Deferred gain on hedges	(123)
Translation adjustments	68,119
Remeasurements of defined benefit plans	3,094
Non-controlling interests	8,578
Total net assets	434,025
Total liabilities and net assets	871,526

Consolidated Statement of Income (April 1, 2025 – March 31, 2026)

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

		Amount	
	(Millions of yen)		(Millions of yen)
Net sales			972,783
Cost of sales			785,096
Gross profit			187,687
Selling, general and administrative expenses			142,959
Operating income			44,727
Non-operating income			
Interest income	743		
Dividend income	2,051		
Rent income	134		
Equity in earnings of affiliates	416		
Foreign exchange gains	147		
Other	998		4,491
Non-operating expenses			
Interest expenses	3,348		
Other	1,773		5,122
Ordinary income			44,096
Extraordinary gains			
Gain on sales of non-current assets	36		
Gain on sales of investment securities	3,497		
Gain on sales of shares of subsidiaries and affiliates	485		
Gain on bargain purchase	1,780		
Subsidy income	231		6,030
Extraordinary losses			
Loss on sales of non-current assets	71		
Loss on disposal of non-current assets	224		
Loss on impairment of fixed assets	100		
Loss on sales of investment securities	0		
Loss on valuation of investment securities	516		
Loss on discontinued operations	2,726		
Settlement payments	364		
Other	145		4,150
Income before income taxes			45,977
Income taxes - current	13,776		
Income taxes - deferred	(1,709)		12,066
Profit for the period			33,910
Profit attributable to non-controlling interests			790
Profit attributable to owners of the parent			33,119

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (As of March 31, 2026)

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

ASSETS	Amount
	(Millions of yen)
Current assets	274,182
Cash and time deposits	2,280
Notes receivable	227
Electronically recorded monetary claims - operating	16,556
Accounts receivable	161,749
Merchandise	30,894
Goods in transit	3,810
Short-term loans receivable from subsidiaries and affiliates	55,905
Other	8,342
Less allowance for doubtful accounts	(5,584)
Non-current assets	260,813
Property, plant and equipment	26,950
Buildings	3,939
Structures	41
Machinery and equipment	634
Tools, furniture and fixtures	1,698
Land	8,466
Construction in progress	12,165
Other	6
Intangible fixed assets	4,625
Software	4,553
Other	71
Investments and other assets	229,236
Investments in securities	70,981
Shares of subsidiaries and affiliates	123,499
Investments in capital of subsidiaries and affiliates	12,537
Long-term loans receivable from subsidiaries and affiliates	13,081
Claims provable in bankruptcy, claims provable in rehabilitation and other	22
Prepaid pension cost	6,237
Other	2,954
Less allowance for doubtful accounts	(77)
Total assets	534,995

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	250,932
Electronically recorded obligations - operating	549
Accounts payable	90,043
Short-term loans	12,441
Current portion of long-term loans	15,000
Commercial papers	47,000
Accounts payable - other	5,620
Income taxes payable	1,827
Deposits received	73,410
Accrued bonuses for employees	2,278
Other	2,761
Long-term liabilities	117,346
Bonds	40,000
Long-term loans	50,000
Deferred tax liabilities	16,286
Retirement benefit liability	6,212
Provision for loss on guarantees	669
Provision for directors' stock benefit	246
Provision for loss on business of subsidiaries and affiliates	3,839
Other	92
Total liabilities	368,278
NET ASSETS	
Shareholders' equity	127,530
Common stock	9,699
Capital surplus	9,634
Legal capital surplus	9,634
Retained earnings	134,429
Legal retained earnings	2,424
Other	132,004
Reserve for reduction entry	1,992
Reserve for purchase of specific shares	68
General reserve	95,510
Retained earnings brought forward	34,433
Less treasury stock, at cost	(26,233)
Valuation and translation adjustments	39,186
Net unrealized holding gain on securities	39,308
Deferred gain on hedges	(122)
Total net assets	166,716
Liabilities and net assets	534,995

Non-Consolidated Statements of Income (April 1, 2025 – March 31, 2026)

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

		Amount	
	(Millions of yen)		(Millions of yen)
Net sales			291,087
Cost of sales			248,466
Gross profit			42,621
Selling, general and administrative expenses			40,799
Operating income			1,822
Non-operating income			
Interest income	2,591		
Dividend income	12,856		
Rent income	619		
Foreign exchange gains	596		
Other	2,185		18,849
Non-operating expenses			
Interest expenses	3,854		
Cost of rent revenue	533		
Other	1,346		5,734
Ordinary income			14,937
Extraordinary gains			
Gain on sales of investment securities	3,493		3,493
Extraordinary losses			
Loss on sales of non-current assets	49		
Loss on disposal of non-current assets	46		
Loss on sales of investment securities	0		
Loss on valuation of investment securities	516		
Loss on valuation of investments in capital of subsidiaries and affiliates	3,198		
Loss on waiver of receivables from subsidiaries and affiliates	1,363		
Provision of allowance for doubtful accounts for subsidiaries and affiliates	7		
Provision for loss on business of subsidiaries and affiliates	697		
Provision for loss on guarantees	22		
Loss on impairment of fixed assets	100		
Other	69		6,070
Income before income taxes			12,360
Income taxes - current	2,871		
Income taxes - deferred	(639)		2,232
Profit for the period			10,128