Consolidated Financial Statements for the Three Months Ended June 30, 2026
<Under Japanese GAAP>

August 4, 2026

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

NAGASE & CO., LTD. Stock exchange listing: Tokyo (Prime Market)
Code number: 8012 URL (https://www.nagase.co.jp/english/)
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Start of distribution of dividends (scheduled): -
Supplementary documents of financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	279,718	17.9	55,154	24.4	17,008	65.9	18,054	69.3	14,655	95.2
June 30, 2025	237,314	-0.8	44,331	1.3	10,249	-4.5	10,662	-2.6	7,507	1.2

(Notes) 1. Comprehensive income For the three months ended June 30, 2026: ¥27,685 million (–%)
For the three months ended June 30, 2025: ¥1,768 million (-91.7%)

	Earnings per share	Earnings per share (diluted)
Three months ended	Yen	Yen
June 30, 2026	35.93	–
June 30, 2025	17.40	–

(Notes) 2. The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. "Earnings per share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	942,118	456,064	47.4	1,095.74
March 31, 2026	871,526	434,025	48.8	1,043.19

(Reference) Equity capital As of June 30, 2026: ¥446,877 million
As of March 31, 2026: ¥425,446 million

(Note) The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. "Net assets per share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. Dividends

	Annual Dividends per Share				
	1Q	2Q	3Q	Fiscal year end	Annual
For the year ended (or ending)	Yen	Yen	Yen	Yen	Yen
March 2026	–	45.00	–	55.00	100.00
March 2027	–				
March 2027 (forecast)		13.00	–	14.00	27.00

(Notes) 1. Revisions to the latest dividends forecast: No
2. Although the Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026, "FYE March 2026" represents the actual dividend payments before the stock split.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	1,000,000	2.8	198,000	5.5	45,000	0.6	45,000	2.1	34,500	4.2	84.59

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

* Notes

(1) Significant changes in major subsidiaries during the period: Yes
New: − (Company name: −) Excluded: 1 (Company name: Fukui Yamada Chemical Co., Ltd.)

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes
(Note) For details, please refer to *2. Quarterly Consolidated Financial Statements and Notes, (4) Notes Related to Quarterly Consolidated Financial Statements (Special Accounting Treatment Applied in Preparing Quarterly Consolidated Financial Statements)*, on P.8 of this document.

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

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

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

June 30, 2026	439,633,140 shares	March 31, 2026	439,633,140 shares

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

June 30, 2026	31,800,831 shares	March 31, 2026	31,800,608 shares

iii. Average number of shares during the period

June 30, 2026	407,832,365 shares	June 30, 2025	431,343,208 shares

(Notes) 1. The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. “Number of shares issued and outstanding as of the fiscal period end (including treasury stock)”, “Number of treasury stock as of the fiscal period end” and “Average number of shares during the period” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.
2. The number of treasury shares as of the fiscal period end includes Company shares held by the Stock-Granting Trust for Directors (2,920,000 shares as of June 30, 2026 and 2,920,000 shares as of March 31, 2026). Treasury shares deducted from the calculation of the average number of shares during the period include Company shares held by the Stock-Granting Trust for Directors (2,920,000 shares as of June 30, 2026 and 1,129,600 shares as of June 30, 2025).

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
*Cautionary Statement with Respect to Forecasts of Consolidated Business Results
The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.
Due to the impact of the situation in the Middle East, we plan to reassess our full-year earnings forecast at the time of the second-quarter earnings, after closely assessing future market trends and demand.
*This document is a full English translation of the Japanese summary of financial results for the current quarter.

Attachments

1. Overview of Operating Results, etc.

Please refer to "*FY2026 First Quarter Financial Briefing*" disclosed on TDnet.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
ASSETS		
Current assets		
Cash and time deposits	45,599	41,058
Notes and accounts receivable and contract assets	321,435	354,126
Merchandise and finished goods	157,496	171,746
Work in process	3,282	3,073
Raw materials and supplies	16,781	20,510
Other	22,660	26,698
Less allowance for doubtful accounts	(936)	(1,051)
Total current assets	566,319	616,162
Non-current assets		
Property, plant and equipment	123,973	132,163
Intangible fixed assets		
Goodwill	28,384	27,970
Technology-based assets	3,060	2,991
Other	37,244	36,860
Total intangible fixed assets	68,688	67,823
Investments and other assets		
Investments in securities	87,595	99,626
Long-term loans receivable	1,329	1,348
Retirement benefit asset	9,628	9,658
Deferred tax assets	6,029	7,482
Other	9,056	8,847
Less allowance for doubtful accounts	(1,093)	(994)
Total investments and other assets	112,545	125,968
Total non-current assets	305,207	325,955
Total assets	871,526	942,118

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
LIABILITIES		
Current liabilities		
Notes and accounts payable	159,845	175,366
Short-term loans	20,175	24,092
Current portion of long-term loans	15,000	15,000
Commercial paper	47,000	68,000
Accrued income taxes	6,934	6,243
Accrued bonuses for employees	9,533	4,937
Accrued bonuses for directors	404	182
Provision for directors’ stock benefit	49	53
Provision for loss on business withdrawal	1,306	1,344
Other	36,757	46,357
Total current liabilities	297,008	341,577
Long-term liabilities		
Bonds	40,000	40,000
Long-term loans	50,000	50,000
Lease liabilities	16,077	16,631
Deferred tax liabilities	19,600	22,753
Retirement benefit liability	10,981	11,198
Provision for directors’ stock benefit	315	391
Other	3,517	3,502
Total long-term liabilities	140,493	144,475
Total liabilities	437,501	486,053
NET ASSETS		
Shareholders’ equity		
Common stock	9,699	9,699
Capital surplus	9,336	9,336
Retained earnings	321,076	330,092
Less treasury stock, at cost	(26,233)	(26,233)
Total shareholders’ equity	313,878	322,894
Accumulated other comprehensive income		
Net unrealized holding gains on securities	40,477	48,323
Deferred gain on hedges	(123)	(251)
Translation adjustments	68,119	73,529
Remeasurements of defined benefit plans	3,094	2,382
Total accumulated other comprehensive income	111,567	123,982
Non-controlling interests	8,578	9,187
Total net assets	434,025	456,064
Total liabilities and net assets	871,526	942,118

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

Three-month ended June 30, 2026 and 2025

(Millions of yen)

	Three-month period ended June 30, 2025 (April 1, 2025 - June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 - June 30, 2026)
Net sales	237,314	279,718
Cost of sales	192,982	224,564
Gross profit	44,331	55,154
Selling, general and administrative expenses	34,081	38,145
Operating income	10,249	17,008
Non-operating income		
Interest income	193	183
Dividend income	850	1,007
Rent income	35	21
Equity in earnings of affiliates	216	281
Foreign exchange gains	21	243
Other	164	237
Total non-operating income	1,481	1,974
Non-operating expenses		
Interest expenses	740	861
Other	327	66
Total non-operating expenses	1,067	928
Ordinary income	10,662	18,054
Extraordinary gains		
Gain on sales of non-current assets	11	0
Gain on sales of investment securities	106	0
Gain on sales of investments in capital	—	66
Gain on sales of shares of subsidiaries and affiliates	—	20
Other	0	—
Total extraordinary gains	117	87
Extraordinary losses		
Loss on sales of non-current assets	8	0
Loss on disposal of non-current assets	33	11
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	157	—
Loss on business withdrawal	70	22
Total extraordinary losses	269	35
Income before income taxes	10,511	18,107
Income taxes	2,800	3,073
Profit for the period	7,710	15,033
Profit attributable to non-controlling interests	203	378
Profit attributable to owners of the parent	7,507	14,655

(Quarterly Consolidated Statements of Comprehensive Income)

Three-month ended June 30, 2026 and 2025

(Millions of yen)

	Three-month period ended June 30, 2025 (April 1, 2025 - June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 - June 30, 2026)
Profit for the period	7,710	15,033
Other comprehensive income		
Net unrealized holding gain on securities	1,078	7,846
Deferred gain (loss) on hedges	38	(127)
Translation adjustments	(7,057)	5,538
Remeasurements of defined benefit plans	148	(712)
Share of other comprehensive income of affiliates accounted for by the equity method	(149)	106
Total other comprehensive (loss) income	(5,941)	12,651
Comprehensive income	1,768	27,685
Comprehensive income attributable to:		
Shareholders of the parent	1,615	27,076
Non-controlling interests	152	608

(3) Quarterly Consolidated Statements of Cash Flows

Three-month ended June 30, 2026 and 2025

(Millions of yen)

	Three-month period ended June 30, 2025 (April 1, 2025 - June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 - June 30, 2026)
Operating activities		
Income before income taxes	10,511	18,107
Depreciation and amortization other than amortization of goodwill	3,661	4,616
Amortization of goodwill	655	777
Share of gain of entities accounted for using equity method	(216)	(281)
Loss on business withdrawal	70	22
Increase in retirement benefit liability	128	26
Decrease (increase) in retirement benefit asset	36	(873)
Interest and dividend income	(1,043)	(1,190)
Interest expenses	740	861
Exchange loss (gain), net	1,293	(1,655)
Gain on sales of investment securities, net	(105)	(0)
Loss on evaluation of investment securities	157	—
Increase in notes and accounts receivable	(700)	(28,639)
Increase in inventories	(3,758)	(15,028)
Increase in notes and accounts payable	827	13,061
Other	(8,423)	(5,415)
Subtotal	3,834	(15,609)
Interest and dividends received	1,086	1,287
Interest paid	(899)	(1,006)
Income taxes paid	(3,317)	(5,932)
Net cash provided by (used in) operating activities	703	(21,260)
Investing activities		
Purchases of property, plant and equipment	(5,363)	(3,436)
Proceeds from sales of property, plant and equipment	146	1
Purchases of intangible fixed assets	(972)	(334)
Purchases of investments in securities	(609)	(924)
Proceeds from sales of investments in securities	155	0
Proceeds from sales of investments in capital	—	174
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(12,519)	—
Decrease in short-term loans receivable included in other current assets	323	1,446
Increase in time deposits, net	—	(795)
Other	(101)	(267)
Net cash used in investing activities	(18,941)	(4,136)
Financing activities		
Increase in short-term loans, net	12,849	3,411
Increase in commercial paper, net	3,500	21,000
Repayments of long-term loans	(12)	—
Purchase of treasury stock	(4,627)	(0)
Cash dividends paid	(4,893)	(5,647)
Other	(677)	(644)
Net cash provided by financing activities	6,138	18,118
Effects of exchange rate changes on cash and cash equivalents	(4,373)	1,929
Net decrease in cash and cash equivalents	(16,471)	(5,350)
Cash and cash equivalents at beginning of the year	65,903	45,390
Cash and cash equivalents at end of the period	49,431	40,040

(4) Notes Related to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Significant Fluctuations in Shareholders' Equity)

No matters to report.

(Special Accounting Treatment Applied in Preparing the Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

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

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

Deferred income taxes are included in income tax.

(Segment Information, etc.)

a. Segment Information

I Three-month period ended June 30, 2025 (consolidated)

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

(Millions of yen)

	Reportable Segments				Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Materials	Electronics	Life Sciences	Total					
Net sales									
Sales to customers	118,908	41,527	76,851	237,287	26	237,314	—	—	237,314
Intersegment sales/transfers	235	499	224	958	1,597	2,555	—	(2,555)	—
Total	119,143	42,026	77,075	238,245	1,623	239,869	—	(2,555)	237,314
Segment income (loss)	5,020	3,075	2,128	10,225	96	10,321	(304)	232	10,249

(Notes) 1. "Others" is a business segment consisting of businesses not included in Reportable Segments and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
3. Adjustments are eliminations of intersegment transactions.
4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income presented in the consolidated financial statements.

II Three-month period ended June 30, 2026 (consolidated)

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

(Millions of yen)

	Reportable Segments				Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Materials	Electronics	Life Sciences	Total					
Net sales									
Sales to customers	140,333	49,133	90,208	279,675	42	279,718	—	—	279,718
Intersegment sales/transfers	215	460	234	911	1,183	2,094	—	(2,094)	—
Total	140,549	49,594	90,443	280,586	1,226	281,813	—	(2,094)	279,718
Segment income (loss)	8,193	4,931	2,907	16,033	124	16,157	871	(21)	17,008

(Notes) 1. "Others" is a business segment consisting of businesses not included in Reportable Segments and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.
3. Adjustments are eliminations of intersegment transactions.
4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income presented in the consolidated financial statements.

2. Matters Related to Changes in Reportable Segment

(Change in Business Segments)

As of the first quarter of the current consolidated fiscal year, the Company consolidated the previous five-segment structure into three segments: Materials, Electronics, and Life Sciences. The new structure will accelerate delegation of authority to each segment head and speed up decision-making. We will continue to build on the stable earnings base of the Materials business while further expanding Electronics and Life Sciences.

Segment information for the first quarter of the previous fiscal year reflects this reclassification.

The following describes the major products and services handled by each reportable segment.

The Materials segment is engaged in the sales of paints/inks, pigments/additives, resins, raw resin materials/resin molded products, plastic compounds, masterbatch, urethane foam, organic synthesis, surfactants, electronics chemicals, information printing-related materials, communications equipment, water treatment, metal processing, plastics/film processing, stationery, functional film/sheet, hygiene materials, home appliance/OA equipment, electronics, packaging, daily commodities, household goods, construction materials, and the overall mobility industry and related industries, as principal products: resin raw materials, resins, special epoxy, engineering plastics, general-purpose plastics, packaging materials, and other plastics-related products and services, solvents, pigments and dispersions, dyestuffs, functional coatings, colorants, various additives, urethane raw materials, release agents, conductive materials, functional films, pressure-sensitive adhesives, adhesives, hygiene materials, organic chemicals, inorganic chemicals, high-purity chemicals, silicone products, silicone raw materials, bio-products, special acrylic rubber, polymer filters, enzymes, light-weight components, decorative parts, HMI components, CASE-related products (xEV-related components, heat management components, battery materials, various sensors, LiDAR-related components, self-driving-related products), Mixing Concierge™, total coordination services for dispersion and processing, raw material search services for CASE applications, Chemical AI Joint Logistics Matching Service, original VR safety goggles for the chemical industry, water treatment equipment, MOF, CO_2 Capture System, and other products and services.

The Electronics segment is engaged in the sales of semiconductor, electronic component, AR/VR, environmental energy, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, renewable energy, large-scale commercial facility, storage battery and energy-related industries, offering as principal products formulated epoxy resins and related products, precision abrasives, display optical materials, touch panel components, functional coatings, conductive and insulating materials, adhesives and encapsulant materials, high heat-resistant films, optical lenses, high-frequency devices, low dielectric materials, sensing modules, semiconductor and electronic device-related equipment, battery evaluation and consulting services, battery pack prototyping and development, photolithography materials for flat panel displays and semiconductors, and other products and services.

The Life Sciences segment is engaged in the sales of pharmaceutical materials (active pharmaceutical ingredients, additives, intermediates, and other raw materials), in-vitro diagnostics reagents, raw materials for cosmetics and household products (active ingredients, additives, emulsifiers, and fragrances), food ingredients (nutrition ingredients, functional carbohydrates such as TREHA® , glycosides, and processing aids such as enzymes), nutrient premixes (OEM, ODM), agricultural, fisheries, and livestock-related materials, endotoxin removal services, and other products and services for the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care, and other industries. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

(Change in Measurement Method for Segment Income (Loss))

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

(Significant Subsequent Events)

(Repurchase of Own Shares)

At a meeting of the Board of Directors held on August 4, 2026, the Company resolved, in accordance with Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3 of the Companies Act, to repurchase its own shares as follows.

1. Reason for the Repurchase of Own Shares

The Company positions the enhancement of shareholder value as one of its key management priorities. Under Medium-Term Management Plan “Walk the Talk 2028,” the Company has established a shareholder return policy of delivering continuous dividend increases and flexibly repurchasing its own shares.

Based on the above shareholder return policy, the Company will repurchase its own shares to enhance corporate and shareholder value by further improving capital efficiency, after comprehensively considering the current state of its stock price, financial position and investment capacity for growth.

2. Details of the share to be repurchased

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	Up to 3,700,000 shares (Equivalent to 0.90% of outstanding shares, excluding treasury shares)
(3) Total repurchase amount	Up to 3 billion yen
(4) Repurchase period	From August 5, 2026, to September 30, 2026
(5) Repurchase method	Market purchases